



Daily Report

China

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General

PRC Reportage on U.S., Allies Attack on Iraq

Allied Warplanes Launch Raids

OW1301181893 Beijing XINHUA in English 1807
GMT 13 Jan 93

[Text] Washington, January 13 (XINHUA)—U.S. and allied warplanes launched raids on Iraq today in retaliation for Baghdad's continued violations of Gulf war ceasefire terms, NBC quoted administration officials as saying.

The officials said U.S. fighters took off from the carrier Kitty Hawk in the Gulf and from four bases in Saudi Arabia.

"They are very limited air strikes," one administration official was quoted as saying.

Attack Not Limited Below 32d Parallel

OW1301192593 Beijing XINHUA in English 1909
GMT 13 Jan 93

[Text] Cairo, January 13 (XINHUA)—U.S. forces are launching an aerial strike against Iraq after President George Bush announced decision to take military action to counter alleged Iraqi violation of Gulf war ceasefire resolutions.

Sources told XINHUA that military installations throughout Iraq are targeted, and the strike is not limited to areas south of the 32nd parallel.

But possibility for ground attacks is excluded, the sources [words indistinct]. News reports reaching here said U.S. warplanes have been "in the sky" since 1700 GMT. British and French military planes are also involved in the operation.

In Washington, a U.S. Administration official confirmed the operation and said, "this die was cast before today. It was just a question of the weather and operational details."

The U.S. attack came two years after the 1991 Gulf war in which the U.S.-led allies routed Iraq, and only seven days before Bill Clinton is to replace Bush as U.S. President.

Iraq has constantly been accused of violating Gulf war ceasefire resolutions by interfering with international inspection of its weapons of mass destruction, and more recently by dispatching planes over a "no-fly zone" in south Iraq and then moving anti-aircraft missiles into the area.

Two weeks ago, the U.S. air forces shot down an Iraqi plane over the "no-fly zone."

Iraq withdrew the missiles from the zone after the allies issued a 48-hour ultimatum.

The situation was further aggravated when the Iraqis staged four cross-border raids into Kuwait over the past three days to dismantle weapons and facilities left over by retreating Iraqi troops during the Gulf war.

In the face of the U.S. threat, the Iraqi leader has vowed to retaliate any Western attacks in defense of its national sovereignty.

Britain's Major Warns Iraq

OW1301234593 Beijing XINHUA in English 2236
GMT 13 Jan 93

[Text] London, January 13 (XINHUA)—British Prime Minister John Major today warned of repeated attacks if Iraq defies U.N. resolutions on the Gulf war ceasefire.

Major, speaking before 10 Downing Street, told reporters that U.S., British and French aircraft had accomplished an air raid on Iraq with all aircraft that took part in the mission having returned safely to their bases in the Gulf area.

Major said he understood there had been no casualties among the aircraft of the Gulf allies.

Six British Tornado fighter-bombers reportedly took part in the U.S.-led air raid on Iraqi surface-to-air missiles and command centers in the "no-fly" zone in southern Iraq.

Major said he hoped Iraqi President Saddam Husayn "will learn from the lesson."

He said if Iraq infringes U.N. resolutions again the allies would "retaliate again" and Britain will join further U.S. action with "no hesitation."

Major said he hoped the air raid would put an end to Iraqi infringements of U.N. resolutions and incursions into Kuwait.

Defence Secretary Malcom Rifkind told the House of Commons tonight that Gulf allied aircraft had inflicted serious damage on Iraqi targets in southern Iraq.

The Iraqi ambassador to the United Nations said today that Iraq will comply with the U.N. resolutions.

France Confirms Participation in Raid

OW1401030093 Beijing XINHUA in English 0235
GMT 14 Jan 93

[Text] Paris, January 13 (XINHUA)—The French Government officially confirmed Tuesday [12 January—as received] evening the participation of French Air Force in the operation against Iraq.

French Defense Minister Pierre Joxe said on Tuesday [as received] morning that Iraqi surface-to-air missile batteries had been found to the south of the 32nd parallel and that France would participate in an international operation to destroy the bases.

He called the Iraqi forces "the pride of the country." "You fight in the name of God when you fight these aircraft, and the aggressors will be defeated," he said.

But in the United Nations, Iraqi Ambassador Nizar Hamdun said Iraq would stop incursions into Kuwaiti territory and authorize U.N. flights into Iraq.

Speaking at Iraq's mission to the U.N., Hamdun said he had informed the president of the Security Council, Japanese Ambassador Yoshio Hatano, of his country's compliance.

He said, "Iraq will stop transferring its property from Umm Qasr in the demilitarized zone until resolving the problems that are outstanding with the UNIKOM (U.N. Iraq-Kuwait Observation Mission) people over there."

The ambassador also said Iraq will approve the flight requests for the U.N. special commission planes to bring demolition teams to Iraq.

The U.N. Security Council, in a statement on Monday, condemned Iraq for its incursions into Kuwaiti territory to retrieve equipment, including anti-ship missiles, and for its ban on U.N. flights for inspectors.

The statement warned Iraq of "the serious consequences that will flow from such continued defiance."

In Amman, Prime Minister al-Sharif Zayd Bin-Shakir expressed "deep concern" over U.S.-led Gulf war allies' air raid against Iraq, and called for negotiations and dialogue to solve the crisis instead of using forces.

Bin-Shakir's statement came after the United States and its Western allies launched an air raid against Iraq's missile batteries in south Iraq, in retaliation for alleged violations of Gulf war ceasefire resolutions by Iraq.

In a separate statement, Information Minister Mahmud al-Sharif also urged the Western allies to enter into dialogue with Iraq.

In an interview with the British Broadcasting Corporation (BBC), the minister criticized the West for following "double standards" in international affairs.

In Cairo, President Husni Mubarak expressed regret at the U.S.-led Gulf war allies' air strike on Iraq.

Speaking before returning to Cairo after his one-day visit to Damascus, Mubarak said what is important is to uphold Iraq's territorial integrity and ensure the safety of the Iraqi people's lives and property.

He called on the Iraqi Government to stop practicing an "adventurist policy" which he said is harmful to the interests of the Iraqi people and the country's rights and future.

He urged an immediate end to use of military force in order not to inflict further sufferings on the Iraqi people, who have already suffered enough from the Gulf war and its aftermath.

Before the allies staged the strike on military targets in southern Iraq, Mubarak said that a renewed allied attack in the wake of the 1991 Gulf war would endanger the stability of the whole region as well.

During his unannounced visit to Damascus, Mubarak discussed with his Syrian counterpart Hafiz al-Asad the latest developments in the Middle East.

In Baghdad, President Saddam Husayn said that another "holy war" has started after the allied bombing of military targets in southern Iraq Wednesday.

In a broadcast speech to the Iraqi people, Saddam said that "the American aggressors and their allies who work under satan... attacked our air defenses beginning with the southern part of Iraqi territory."

"Another battle has started. Another jihad (holy war) ordained by God, so that we can attain another great victory for you, the Iraqi people," Saddam said on the state-run Baghdad Radio.

He called the Iraqi forces "the pride of the country." "You fight in the name of God when you fight these aircraft, and the aggressors will be defeated," he said.

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Bin-Shakir's statement came after the United States and its Western allies launched an air raid against Iraq's missile batteries in south Iraq, in retaliation for alleged violations of Gulf war ceasefire resolutions by Iraq.

He said said any U.S. or Western plane in Iraqi airspace was a target.

"Men of the Qadissiya (Iran-Iraq war) and Mother of All Battles (1991 Gulf war), you brave men of the Anti-Aircraft Defences, you falcons (pilots) of our proud Air Force... fight them the way you fought God's enemies before."

International Reaction to Air Strike Noted

OW1401035793 Beijing XINHUA in English 0320
GMT 14 Jan 93

[Unattributed "Roundup" feature]

[Text] Beijing, January 14 (XINHUA)—The White House announced Wednesday [13 January] the U.S. and its allied warplanes had completed air strike against Iraq, and warned that "additional actions" were possible if necessary in the future.

Marlin Fitzwater, spokesman of the White House, said the strike began at 1:15 P.M. eastern time. "Preliminary information indicates that mission was accomplished," he said. "All of our planes have returned to their bases."

"We will continue to scrutinize Iraqi activity. No further warning will be issued if Iraq again violates the requirements of the January 6 warning," he added.

The United States, Britain, France and Russia warned Iraq on January 6 to remove its anti-aircraft missiles from the "no-fly" zone that the allies imposed on Iraq in southern Iraq.

In Tel Aviv, Prime Minister Yitzhaq Rabin said he did not expect Israel to suffer any fallout from Wednesday's allied attack on Iraq.

"Since the action is limited to the Persian Gulf, we believe that it will not affect the situation in Israel," he said in a speech at a banquet of the British-Israeli Chamber of Commerce.

Earlier, the Israeli Army said in a statement that it was "prepared and monitoring the development," and urged its citizens to continue with a "normal routine."

In Rome, Italian Defense Minister Salvo Ando said allied planes suffered no losses during the raid on Iraq missile positions on Wednesday.

He made this remark after a brief meeting with French Defense Minister Pierre Joxe in Rome. Joxe said Wednesday that French Air Force pilots in Saudi Arabia are ready to join U.S. forces in any possible attacks on Iraqi installations. The French Defense Ministry earlier said the French Air Force Mirage 200 fighters in Saudi Arabia flew an air force cover mission. Italian forces were not involved in the raid.

And in Paris, European Community foreign ministers discussed the U.S.-led bombing raid on Iraq on Thursday and agreed that Baghdad got its just deserts.

Foreign Minister Uffe Allemand-Jense of Denmark, the current EC president, said the 12 ministers insisted that Iraq should abide by all U.N. Security Council resolutions, including the 1991 Gulf war ceasefire terms.

Austrian Foreign Minister Alois Mock described the U.S.-led air strike on Iraq as "reasonable and understandable."

Mock told Austrian television station in Paris that as Iraq had repeatedly violated the U.N. resolutions, the air strike against Iraq was expected.

Australia Supports Action

OW1401041493 Beijing XINHUA in English 0324
GMT 14 Jan 93

[Text] Canberra, January 14 (XINHUA)—The Australian Government today announced that it supports the military action taken by the coalition forces against Iraq last night.

The coalition bombing in Iraq overnight was "a proportional and justifiable response to Iraq's flouting of the United Nations resolution", acting Foreign Minister John Kerin said in a statement today.

The United States, Britain and France took a joint action to bomb military installations in Iraq last night.

The action "shows the utility of Iraq's attempts to avoid its responsibilities under the U.N. resolutions", Kerin said.

The situation in the Gulf region has become intense during the past two weeks as Iraq announced to ban U.S. aircraft from flying into the country and snatched weapons from the Kuwaiti side of the demilitarized zone.

Kerin said that the Iraqi leadership should be in no doubt about the resolve of the international community to see Iraq comply with the U.S. [as received] resolutions.

"Australia again calls on Iraq to abide fully by the terms of all the U.S. [as received] resolutions and to cooperate with U.S. [as received] organizations charged with implementing them," Kerin said.

One of Australia's naval ships is patrolling the Red Sea with the multinational interception force, enforcing the U.N. sanctions against Iraq. But Kerin said that Australia has not been asked to contribute to the operation in Iraq and was not involved in the action last night.

Paper Outlines Bush Plan To Attack Iraq

HK1401042393 Hong Kong WEN WEI PO in Chinese
14 Jan 93 p 2

[Editorial: "Bush To Teach Saddam Husayn Another Lesson"]

[Text] President Bush will leave office in only seven days. When Bush failed to win reelection, Iraq's Saddam

people of that country. A regional problem should be resolved by those countries involved in the problem through consultation.

A reporter also asked: U.S. President-elect Clinton's designated secretary of state has given a speech saying that he is preparing to pursue a policy of peaceful evolution toward China after he has taken office. What is China's view on this?

Wu Jianmin said: China is willing to further develop Sino-U.S. relations on the basis of the three joint communiques. There are many important principles in these three joint communiques, in particular the principles of nonintervention in internal affairs and mutual respect. "In my view, it is only right and proper that things concerning China are solved by the Chinese, just as things concerning the United States are solved by Americans."

More on Sino-U.S. Ties

HK1401093993 Hong Kong AFP in English 0914 GMT 14 Jan 93

[Text] Beijing, Jan 14 (AFP)—China Thursday warned U.S. President-elect Bill Clinton's nominee for secretary of state, Warren Christopher, not to interfere in Chinese affairs by supporting liberal forces in the country.

"I think it's quite natural that the business of the United States should be addressed by the American people and the business of China should be handled by the Chinese people," Foreign Ministry spokesman Wu Jianmin said.

He was responding to a report quoting Christopher as saying the incoming U.S. Administration's policy will be "to seek to facilitate a peaceful evolution of China from communism to democracy by encouraging the forces of economic and political liberalization."

The spokesman, speaking at a weekly ministry news briefing, said China was willing to improve and develop relations with the United States on the basis of past communiques signed by the two sides.

"It needs to be pointed out that those three joint communiques contain many important principles, including that of non-interference in each other's internal affairs and mutual respect," Wu said.

Christopher was speaking at a Senate confirmation hearing one week before Clinton's scheduled inauguration as the United States' first Democratic president in 12 years.

The Chinese Communist leadership is concerned that Clinton will take a harder line and move Washington's China policy away from the "policy of engagement" pursued by his Republican predecessor, George Bush.

The Foreign Ministry spokesman also reiterated that the issue of the United States' sale of 150 F-16 advanced fighter jets to Taiwan "has not been closed yet." He said China would continue to express its opposition to the sale in bilateral talks.

Demands Patten Withdraw Reform Program

OW1401090793 Beijing XINHUA in English 0901 GMT 14 Jan 93

[Text] Beijing, January 14 (XINHUA)—Chinese Foreign Ministry Spokesman Wu Jianmin today once again asked Hong Kong Governor Chris Patten to withdraw his political reform program.

Wu issued the demand at a weekly press conference this afternoon, when asked to comment on Patten's presentation of the program to the Hong Kong legislative council for deliberation.

"Chris Patten must withdraw the so-called 'political reform program,'" and the Chinese side will not accept this program or any plan of compromise which does not converge with the Hong Kong Basic Law, Wu reiterated.

Urges Japan To Destroy Chemical Weapons

OW1401092693 Beijing XINHUA in English 0912 GMT 14 Jan 93

[Text] Beijing, January 14 (XINHUA)—China hopes to settle with Japan the problem of remnant Japanese chemical weapons at an early date, a Foreign Ministry spokesman said here today.

The spokesman, Wu Jianmin, made the statement at a weekly press conference when asked how China and Japan plan to solve the problem of the Japanese chemical weapons left in China.

"The chemical weapons Japan left in China is an issue left over by the Japanese aggression against China (1937-45), who is purely a victim," he said. "Therefore," he added, "the Japanese side should certainly bear the responsibility of the destruction (of those weapons)."

This kind of issues, Wu said, have been clearly included in the provisions of the international chemical weapons convention. "We hope that this problem can be solved satisfactorily at an early date."

Qian Qichen Signs Chemical Weapons Convention

OW1401032193 Beijing XINHUA in English 0310 GMT 14 Jan 93

[Text] Paris, January 13 (XINHUA)—A meeting attended by representatives from more than 120 countries started here today for signing a convention banning the use, production and stockpiling of chemical weapons.

Speaking at the opening ceremony at the UNESCO headquarters, United Nations Secretary-General Butrus Butrus-Ghali said that the convention is the first agreement concluded after the world's multinational talks on arms reduction.

and the security and interests of the signatory countries and other countries which have nothing to do with chemical weapons must not be harmed. Otherwise, general support for the convention will certainly be affected.

3. Countries that have left chemical weapons in foreign countries must abide by the relevant provisions of the convention and undertake its obligations to destroy these weapons.

4. The convention should play a role in promoting trade, scientific and technical exchanges, and cooperation in the field of chemical engineering for peaceful purposes. Any relevant export controls that do not conform with the convention should be abolished.

Qian Qichen Meets ROK Counterpart in Paris

CM1401143993 Beijing XINHUA Domestic Service in Chinese 1445 GMT 13 Jan 93

[Text] Paris, Jan 13 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen met with his South Korean counterpart Yi Sang-ok here today.

During the meeting, the two ministers recalled the development of bilateral relations since diplomatic ties were established between the two countries last August.

They both expressed confidence that bilateral relations would be further improved in the new year through mutual efforts.

Comments on Yang Shangkun's Health

SK1401005993 Seoul YONHAP in English 0038 GMT 14 Jan 93

[Text] Paris, Jan. 14 (YONHAP)—China, Germany and Russia pledged Wednesday to cooperate closely with South Korea in getting North Korea to sign the Chemical Weapons Convention [CWC]. It was "most natural" for North Korea to join the convention, German Foreign Minister Klaus Kinkel told his South Korean counterpart, Yi Sang-ok, in a 20-minute meeting, officials from Seoul said.

Russian Foreign Minister Andrey Kozyrev suggested the countries publicly announce their pledge to cooperate in bringing North Korea into the convention, and Chinese Foreign Minister Qian Qichen "shared an understanding" that they hope to see North Korea become a convention member as soon as possible.

South Korea signs the CWC Thursday, capping 24 years of grueling negotiations to destroy all chemical arms within 10 years.

North Korea, suspected of being highly advanced in chemical weapons capability with its own bacteria, was not at the Paris conference where the treaty opened to original signatory nations.

When Yi explained Seoul's concerns about Pyongyang's capabilities, Kinkel said he hoped that German Chancellor Helmut Kohl's scheduled visit to Seoul in early March would result in bringing the two countries together for the cooperation.

Kohl will be the first head of state to go to South Korea after Kim Yong-sam is sworn in as president on Feb. 25.

Kozyrev took a stronger stand, urging Seoul to publicly announce their joint efforts, the officials said. He asked about Seoul inviting a Russian delegation to the inauguration.

Yi said the arrangements were being discussed with Kim's transition team and promised to notify Moscow as soon as the decision is made through the Russian Embassy in Seoul.

Kozyrev said the two countries needed to solve the ownership dispute over the former Russian legation site in Seoul at the earliest date possible, and Yi shared his opinion, the officials said.

South Korean and Chinese foreign ministers discussed exchange visits by government leaders, but Qian said that Chinese President Yang Shangkun would not be able to go anytime soon because of health reasons, officials said.

The Chinese foreign minister said the visit will be pursued within this year but that he is not sure who the visitor will be.

Qian repeated China's position that Beijing does not want to see either South or North Korea own nuclear weapons and pointed out it is development on Pyongyang's part that it is accepting inspections by the International Atomic Energy Agency (IAEA).

Yi emphasized North Korea must come forward to join the chemical weapons convention as well, and Qian agreed, the officials said.

The two foreign ministers also agreed in principle for early conclusion of economic pacts such as aviation and maritime agreements.

Qian Qichen, Portugal's Barroso Discuss Macao

OW1301175393 Beijing XINHUA Domestic Service in Chinese 1450 GMT 13 Jan 93

[By reporter Liang Guihe (2733 6311 0735)]

[Text] Paris, 13 Jan (XINHUA)—Chinese Foreign Minister Qian Qichen, who is attending the signing ceremony of the "convention for the prohibition of chemical weapons" in Paris, met with Portuguese Foreign Minister Barroso [secretary of state for foreign affairs] on 13 January. The two sides expressed their satisfaction over the implementation of the agreement on the Macao issue and the smooth development of cooperative relations between the two countries.

"Support for democracy and human rights abroad can and should be a central strategic tenet in improving the United States' own security," he added.

These three pillars for the U.S. foreign policy—economic growth, military strength and support for democracy—are mutually re-enforcing, he said, adding that a vibrant economy will strengthen America's hand abroad, while permitting the U.S. to maintain a strong military without sacrificing domestic needs.

Yet, he said, none is more important than helping Russia demilitarize, privatize and invigorate its economy, and develop representative political institutions.

"As we adapt to new conditions," Christopher said, "it is worth underscoring the essential continuity in American foreign policy."

"Despite a change in administration, our foreign policy in many specific instances will remain constant and will seek to build upon the accomplishments of our predecessors," he added.

Pledges Support for Russian Reforms

OW1401004593 Beijing XINHUA in English 1918
GMT 13 Jan 93

[Text] Washington, January 13 (XINHUA)—Warren Christopher, President-elect Bill Clinton's secretary of state nominee, today pledged strong U.S. support for Russia's political and economic reforms.

During the Senate's confirmation hearing today, Christopher said that "none is more important than helping Russia demilitarize, privatize, invigorate its economy, and develop representative political institutions."

He promised that "our administration will join with our G-7 partners to increase support for Russia's economic reforms."

However, the 67-year-old secretary-to-be said, "the aid must be conditioned on the willingness of Russia to continue the difficult but essential steps necessary to move from a command economy to a more market-oriented one."

Commending the second Strategic Arms Reduction Treaty signed by U.S. President George Bush and Russian leader Boris Yeltsin in Moscow on January 3, Christopher said Washington would "place high priority on direct and technical assistance for Russia's efforts to dismantle its weapons and properly dispose of its nuclear materials, to provide civilian employment for defense technicians, and to house its demobilized forces."

Christopher's statement today touched almost all major spheres of the world.

At one point, Christopher departed from his prepared statement to issue a special warning to Iraq that Baghdad should not "miscalculate" the situation. He said that the

Clinton team would stand "shoulder to shoulder" with the current administration in the "determination" toward Iraq.

There were reports that the United States has already launched military action against Iraq. THE NEW YORK TIMES newspaper today said Bush had decided to carry out military strike on Iraq.

Referring to U.S. policy in Europe, Christopher, who was deputy secretary of state under the Carter administration, said Washington would remain committed to the Northern Atlantic Treaty Organization and support efforts by the conference on security and cooperation in Europe "to promote human rights, democracy, free elections, and the historic re-integration of the nations of Eastern and Western Europe."

Despite his assurance that the Clinton administration "will vigorously pursue concerted action with our allies and international bodies to end the slaughter in Bosnia," Christopher fell short of tabling out any specific actions.

In Asia, Christopher called for "particular attention to Japan" and urged Tokyo to "do more to meet its economic responsibilities as well—to lower trade barriers more quickly and open its economy to competition."

He also stated that the coming Clinton administration's policy toward China will be "to seek to facilitate a peaceful evolution of China from communism to democracy by encouraging the forces of economic and political liberalization" in that country.

While indicating that the Clinton administration would continue to press forward the current Middle East peace talks between the Arabs and Israel, Christopher stressed U.S. commitment to its "special relationship with Israel."

He also called for economic reform, more accountable governance and increased respect for human rights in the Middle East.

Christopher also outlined U.S. policy toward American countries and nations in the African continent.

Central Eurasia

Belarus Leader on Common Interests With Beijing

OW1401092093 Beijing XINHUA in English 0910
GMT 14 Jan 93

[Text] Moscow, January 14 (XINHUA)—The chairman of the Belarusian Supreme Soviet, Stanislav Shushkevich, said yesterday that his country and China shared many common economic and political interests.

Speaking at a press conference in Minsk on his return from a visit to China, he said both countries were aiming to raise living standards and increase the gross national product.

Among those present at the reception were Chinese Vice-Foreign Minister Xu Dunxin, and President Han Xu of the Chinese People's Association for Friendship with Foreign Countries.

Thai Army Commander in Chief Visits Vietnam

OW1401043193 Beijing XINHUA in English 0346
GMT 14 Jan 93

[Text] Bangkok, January 14 (XINHUA)—Thai Army Commander-in-Chief Gen Wimon Wongwanit left here this morning for Vietnam to further ties between the two national armies.

Gen Wimon Wongwanit said before departure that he is visiting Vietnam as a military leader to ensure closer relations of the two armies.

He also disclosed that the two countries are about to exchange military attaches and he will look into the matter while in his one-day visit to Vietnam.

The army chief will return home this evening.

Near East & South Asia

NPC Official, Indian Legislators Meet 12 Jan

OW1201112893 Beijing XINHUA in English 0724
GMT 12 Jan 93

[Text] Beijing, January 12 (XINHUA)—Ngapoi Ngawang Jigme, vice chairman of the Standing Committee of China's National People's Congress [NPC], held talks here today with an Indian parliamentary delegation headed by Shivraj V. Patil, speaker of the House of People of India.

The group arrived here yesterday for a nine-day goodwill visit, the first such trip by an Indian parliamentary delegation in more than three decades.

Li Peng Meets Indian Group

OW1301140593 Beijing XINHUA in English 1348
GMT 13 Jan 93

[Text] Beijing, January 13 (XINHUA)—China and India should develop comprehensive cooperation in all spheres along with continued efforts to resolve border issues, said Chinese Premier Li Peng today while meeting the first Indian parliamentary delegation to this country in over 30 years.

Li was with an Indian parliamentary delegation headed by Shivraj V. Patil, speaker of the House of People of India, who expressed similar sentiments.

Reviewing the dramatic improvement and development of Sino-Indian relations in recent years, the premier said he expects Patil's current trip to play an important role in furthering friendly cooperation.

Patil, describing the visit as fruitful, said India hopes to strengthen the exchanges and cooperation between the governments, parliaments and peoples of the two countries in political, economic, social, cultural and other fields.

Li expressed appreciation for Patil's remarks saying a long-term friendship and good-neighbor relationship between China and India, initiators of the Five Principles of Peaceful Coexistence, is of "important significance" to the peace and development of Asia and the world.

He noted that China and India share identical or similar views on many international issues, including human rights, North-South ties, the new world order and the environment and development. The prospects are broad for Sino-Indian cooperation in the international arena.

Joining the conversation, a member of the delegation said while partisan groups might disagree on some issues, all share the wish to constantly strengthen Indo-China friendly cooperation.

On the border issue, Li cited the agreement reached between leaders of the two countries that the problem can be solved through friendly negotiations, and it should not affect the development of bilateral ties in other fields.

With that understanding, the two countries have taken many positive measures to maintain peace in the border areas and to promote the process of negotiations, Li said.

Both Li and Patil expressed the belief that the border problem will eventually be settled in a way acceptable to both sides.

On the Tibet issue, Patil said the position of the Indian Government, parliament and people remains clear-cut. Tibet is regarded as an autonomous region of China and India will not use the issue to interfere in China's internal affairs. India will continue to stick to that position.

West Europe

Cypriot President Meets Outgoing PRC Ambassador

OW0901132293 Beijing XINHUA in English 1312
GMT 9 Jan 93

[Text] Nicosia, December 9 (XINHUA)—There is a "great potential in the development of bilateral relations" between Cyprus and China, President Yeoryios Vasiliou told the outgoing Chinese Ambassador to Cyprus Lin Aili in the presidential palace here today.

Ambassador Lin is expected to leave Cyprus for China on Tuesday [12 January] at the end of her term of office.

During the meeting, the president, who visited China in 1990, said he was "satisfied with the good relations"

Political & Social

Deng Reportedly Refuses To Rescind 4 June Decision

HK1401060093 Hong Kong TUNG FANG JIH PAO in Chinese 14 Jan 93 p 6

[Report: "Deng Has Reportedly Refused To Rescind 4 June Incident Decision"]

[Text] News from Beijing: It has been learned that not long ago, the CPC supreme leader Deng Xiaoping issued a three-point directive: 1) The 4 June incident decision should not be rescinded; 2) it is still necessary to combat bourgeois liberalization; and 3) the cadres who stepped down from leadership posts during the 14th CPC National Congress for not doing their best in reform and who are ideologically leftist should be provided for [gei chu lu 4822 0427 6424]. A political tendency toward leftism has again emerged in the higher echelons of the CPC leadership.

For this reason, the higher echelons of CPC leadership did not approve the release from jail of political prisoner Wei Jingsheng and student movement leader Wang Dan, who were expected to be released not long ago. The recently published *Memorandum on Guarding Against Leftism* was again subjected to scrutiny.

At the end of last year word leaked out that, to improve its human rights record, the CPC planned to release on parole political prisoner Wei Jingsheng of the 5 April movement in 1976 and student movement leader Wang Dan of the 4 June Tiananmen incident in 1989, ahead of schedule. However, because Deng Xiaoping continued the policy decision of combating rightism politically, the higher echelons of the CPC leadership was compelled to countermand the order already issued.

The *Memorandum on Guarding Against Leftism*, which was previously on sale on the streets of Beijing, was again subjected to scrutiny by public security departments under an atmosphere of combating rightism politically.

Commentary on Local Leadership Reelections

OW1401122293 Beijing XINHUA Domestic Service in Chinese 0206 GMT 14 Jan 93

[Commentary by XINHUA commentator: "Do a Good Job in Reelecting the Leading Groups by Displaying the Spirit of Reform"]

[Text] Beijing, 14 Jan (XINHUA)—This year reelections will take place among government organs at five levels, from the central level down to the township and town level; in leading bodies of county and higher-level committees of the Chinese People's Political Consultative Conference [CPPCC]; and in provincial, municipal, and county party committees. Such a sizable reelection occurs only once in 15 years. The project is still going on at this time.

The remaining seven or eight years of this century are a crucial period for achieving China's second-step strategic objective for national economic development, and for laying a strong foundation for the third-step strategic objective. This is also a crucial period for properly building leading groups at all levels. The leading groups produced in the reelection will shoulder the responsibility of organizing and leading the cadres and masses to fully carry out all the assignments set by the 14th National CPC Congress and the Eighth National People's Congress. They will also shoulder the important responsibility of accomplishing the Eighth Five-Year Plan and the 10-Year Development Program. Thus, the success of the reelection is a major event of far-reaching significance in our socialist economic and political construction with Chinese characteristics.

The basic task of reelecting leading groups is one of forming leading groups at all levels in accordance with requirements of the party's basic line; in accordance with the general policy of forming leading groups whose members are more revolutionary, younger in average age, better educated, and more professionally competent; and in accordance with the principle that these members must have both ability and political integrity. The central authorities have instructed that, through the reelection of leading groups at all levels, leadership collectives should be built which are politically firm, daring in reform, united and coordinated, honest and practical, rationally structured, and capable and efficient. To achieve this objective, during the reelection we must emancipate our minds, change our mindsets, correctly judge and select cadres, and do our jobs properly with the spirit of reform.

Today the central task of all party members is one of expediting economic construction with all-out efforts. In line with the need of establishing a socialist market economic system, we should now attach importance to selecting and placing into leading groups those cadres who are knowledgeable in economic affairs and modern management so these leading groups will be more proficient in leading economic affairs. Over the years, a great many people with such proficiency have already been trained. Since organizational work must obey and serve economic construction—which is the central task—we must seize the opportunities created by the reelection, and must select and place these people into leading groups. Party and government leaders at all levels must be familiar with economic affairs, or be knowledgeable about them, or understand them. The principal leading comrades in particular must be able to control the entire economic situation and other operations.

Boldly electing a large number of outstanding and young cadres into leading groups is an important matter having a bearing on the entire situation. Currently, problems such as lack of young cadres and an irrational age structure exist in one way or another in all local leading groups. Thus it has become a difficult but urgent task to promote the formation of leading groups whose members are younger in average age. In this regard, we must

important talks made during his southern China inspection tour early last year and the plenary meeting of the Central Political Bureau have indicated that China's reform, opening up, and modernization have entered a new stage of vigorous development. The 14th CPC National Congress, convened in October, systematically summed up our great undertakings and basic experience in reform, opening up, and modernization over the last 14 years; unequivocally proposed that we should arm the whole party with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics; unequivocally called on us to persevere in the party's basic line for 100 years; set the clear and definite objective of establishing a socialist market economy; and comprehensively arranged the major tasks for the 1990's. The party congress has greatly mobilized and inspired the whole party and the people across the country. Over the past year, the cadres and the people have further emancipated their minds and enhanced their vigor and initiative, the noticeably accelerated pace of reform and opening up has forcefully helped bring about a rapid economic growth, and great achievements have been made in all undertakings. New developments have been made in establishing socialist democracy and legal system and in building spiritual civilization. Party building work and party leadership have been improved and strengthened. With both political stability and social stability, our country is full of vitality and our cause is thriving. Despite the excellent situation, we of course should also see existing problems and difficulties during our advance, keep a clear head, and seriously do a solid work to resolve them.

In the New Year, we should work under the guidance of the theory on building a socialism with Chinese characteristics; actively, comprehensively, and accurately implement the guidelines of the 14th party national congress; and continue to promote reform, opening up, and modernization. We should concentrate on economic construction, actively explore the concrete way to establish socialist market economy, pay great attention to optimizing structure, improving quality and enhancing efficiency, and bring about a rapid and sound economic development. While we step up the building of material civilization, we should also make great efforts to step up the establishment of socialist democracy and legal system and the building of spiritual civilization. While building both material and spiritual civilizations, we should attach equal importance to both. We should adhere to the party's basic line, ensure that the party manages itself strictly, and always place the work of strengthening and improving party building as an important item on the agenda. We should strive to arm the whole party with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics, so as to promote the execution of party building and other tasks. The key to making this year's work a success lies in emancipating the mind, seeking truth from facts, forging ahead in unity, and performing actual deeds. We should firmly trust the masses; rely on them; and strive to protect, guide, and give play to their initiative.

Veteran comrades are the precious wealth of the party and the state. During the brilliant course of founding and building New China, our veteran comrades have advanced wave upon wave, shed blood, made sacrifices and performed immortal deeds. During the joint efforts to build a socialism with Chinese characteristics, our veteran comrades have worked hard to blaze new trails, make selfless dedication, and again offered outstanding contributions. The party and the people will never forget what the veteran comrades have done. During the long period of revolution and construction, the veteran comrades have accumulated rich experience. In their deeds, they display in a concentrated way our party's fine traditions and the lofty character of communists. We should attach great importance to veteran comrades' role at all times, learn from them, and carry on their spirit of heroism and revolutionary struggle. Young cadres' healthy growth is inseparable from veteran comrades' assistance. I hope that veteran comrades will continue to show concern for the cultivation of successors to the socialist cause; enlighten and support the new generation; and make contributions to bringing up more outstanding, young cadres who have both ability and moral integrity. The party organizations and governments at all levels should strengthen their leadership over the work focused on veteran cadres. We should further carry forward the traditional virtue of the Chinese nation in respecting and loving the elderly people, show concern for veteran comrades politically, organize them to study and to participate in relevant meetings and activities, keep them informed of important events on a timely basis, and seriously listen to their opinions. We should do all we can to help veteran comrades improve their livelihood and overcome difficulties. We should create an environment in which "elderly people have something to live on, something to work on, something to study, and something for recreation."

Comrades, the Year of Monkey will be over and the Year of Rooster will arrive soon. The rooster heralds the break of day and everything will become fresh and gay. Let us work under the leadership of the party Central Committee with Comrade Jiang Zemin at its core; be united even closer; further enhance our vigor; and work hard to achieve still greater success in reform, opening up, and modernization.

In conclusion, I wish you a Merry Spring Festival, good health, and a happy family!

Hu Jintao Exhorts Young Cadres on 'Mission'

OW1401130293 Beijing XINHUA Domestic Service in Chinese 0841 GMT 10 Jan 93

[By RENMIN RIBAO reporter Yin Pinduan (1438 0756 4551) and XINHUA reporters Chen Yan (7115 7159) and Fang Zhengjun (2455 2398 6511)]

[Text] Wuhan, 10 Jan (XINHUA)—A national meeting on exchanging experiences in young cadres' training and growth to maturity was held in Wuhan City, Hubei, on 8

Through summarizing and exchanging experiences in the growing process of young cadres, the meeting has helped party organizations at various levels study and explore the law on young cadres' growth to maturity, thereby further improving the work of training and promoting young cadres.

The meeting was attended by 200 young cadres from all provinces, autonomous regions, and municipalities, as well as departments and commissions directly under the party Central Committee and the central government. Among them, 50 percent are party and government leaders at the county, department, prefectural, and city levels; 22 percent, managers, directors, and party secretaries of enterprises; 18.5 percent, academy and university presidents, research institute directors, chief engineers, professors, and researchers; and 9.5 percent, town and township heads and workshop supervisors.

The meeting was also attended by some 400 officials of the organization departments of party committees of all provinces, autonomous regions, municipalities, and cities with economic autonomy; the Work Committee for Organs under the CPC Central Committee, the Work Committee for Central Government Organs, and cadre personnel departments of some central government organs; and the organization departments of party committees of the Liberation Army General Political Department and Xinjiang Production and Construction Corps.

Leading comrades of the organization departments of the CPC Central Committee and the Hubei provincial party committee and government were present at the meeting.

Wen Jiabao Discusses Tasks in Party Work

OW1301140493 Beijing XINHUA Domestic Service in Chinese 1023 GMT 12 Jan 93

[By RENMIN RIBAO reporter Xu Rujun (1776 1172 0193) and XINHUA reporter Wang Jinfu (3076 6855 4395)]

[Text] Beijing, 12 Jan (XINHUA)—Wen Jiabao, alternate member of the Political Bureau under the CPC Central Committee and member of the Secretariat under the CPC Central Committee, spoke today at the conference on party work in organs directly under the CPC Central Committee [CPCCC]. He said that when carrying out party work, cadres and staff members of CPCCC organs should continuously implement the guidelines set forth at the 14th CPC National Congress; be guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; follow the party's basic line; persist in the policy of strict management of the party; step up ideological, organizational, and work style building; strive to raise the party's combat strength and the quality of party members; and ensure the fulfilling of various organs' tasks.

Wen Jiabao said CPCCC organs concentrated on two important tasks last year. The first task was organizing

cadres and staff members to study and implement Comrade Deng Xiaoping's important speech made during his south China inspection and the guidelines laid down at the plenary session of the Political Bureau under the CPC Central Committee. The second task was transmitting, studying, and implementing the guidelines set forth at the 14th CPC National Congress. Studying Comrade Deng Xiaoping's speech, the guidelines of the plenary session of the Political Bureau under the CPC Central Committee, and the guidelines set forth at the 14th CPC National Congress has helped party members and cadres from CPCCC organs deepen their understanding of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and has increased their awareness of and firmness in implementing the party's basic line.

Wen Jiabao said CPCCC organs are the executive departments of the CPC Central Committee; they undertake organization, propaganda, united front work, and deal with the masses for the party; they also shoulder the important responsibility of doing a good job of disseminating and implementing the spirit of the 14th CPC National Congress. Cadres and staff members of CPCCC organs must deepen their understanding of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; further unify their thinking; integrate theory with reality, particularly with reality in work for different organs; and unify emancipation of the mind and seeking truth from facts.

Wen Jiabao urged cadres and staff members of CPCCC organs to adhere to the policy of treating economic construction as the central task; to further shift the focus of their work onto the track of subordinating to and serving economic construction; to do good party work at organs through promoting reform and various construction tasks; to do a still better job in propaganda work and in mobilizing the masses; to correctly guide public opinion to serve economic construction; to step up the building of party organizations; to help train and promote more outstanding individuals for economic construction; to help improve party work style and build a clean government; and to better mobilize people's initiative to serve construction of the four modernizations.

Wen Jiabao said it is an important task for party committees at organs to do a good ideological and political job and a good job among the masses. In the new situation, priority in ideological and political work should be given to enhancing cohesiveness and the combat strength of party organizations. Party committees of CPCCC organs should strengthen investigation, analysis, and understanding of the thinking of party members, cadres, and the masses, and they should effectively do a good ideological and political job. It is necessary to step up education of the current situation; to make party members and cadres stress the importance of ideals, devotion, the overall situation, and to be more enterprising and to increase their sense of responsibility; and to show concern for the lives of staff members and help them solve problems. Leading cadres must act

the law is that the managerial personnel of cultural work must have knowledge of the law."

The building of culture and legal system is of vital significance to the prosperity of literature and art. Gao Zhanxiang said: Although we have all along stressed the need to respect the law governing art, value the creative labor of artists, and safeguard the freedom of creations, the actual situation is that the "left" ideological influence still exists, and the phenomena of lacking trust in and respect for artists and writers as well as of "flagrantly interfering" with them still occur from time to time. Therefore, how to safeguard the legitimate rights and interests of literary and art workers through legal means is a subject urgently awaiting a solution.

The senior official of the Ministry of Culture appealed for sufficient freedom and legal protection to be given to writers and artists in choosing the subjects of their works and performances on the premises of adhering to the orientation of "serving socialism and the people" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." He stressed that the system of examining works should also be brought into the right course of legality to replace the former practice of "rule by man." He said that it is necessary to create a favorable environment of law for the prosperity and growth of cultural and artistic undertakings. Moreover, it is necessary to strictly restrict, through legal means, the "spiritual rubbish" which pollutes the environment and poisons the people.

It is reported that at present, policy and statute organs have been established in nearly two-thirds of provinces, autonomous regions, and municipalities in China. Since 1979, a total of some 210 sets of laws, statutes, rules, and regulations regarding the protection of cultural relics and the management of cultural markets, artistic undertakings, and cultural exchanges with foreign countries have been put into effect after being adopted by state legislatures, approved and promulgated by the State Council, or promulgated by the Ministry of Culture, which have resolved, to a great extent, the problem of no law to abide by in the cultural domain.

State, Party Discipline Inspectors To Have Joint Office

OW1401003593 Beijing XINHUA in English 1456
GMT 13 Jan 93

[Text] Beijing, January 13 (XINHUA)—The Central Commission for Discipline Inspection of the Communist Party and the Ministry of Supervision under the State Council are to set up a joint office to raise work efficiency.

This was revealed at a national conference of heads of provincial level party discipline commissions and inspection bureaus which ended in Beijing today.

Wei Jianxing, who is secretary of the Discipline Inspection Commission and minister of supervision, noted that

disciplinary officials working under one roof is an important step to restructure the supervisory system of the party and the government.

The amalgamated force is expected to strengthen the campaign for a clean government and escalate the drive against corruption and ensure smooth economic construction, Wei said.

After amalgamation the original function of the two departments will remain unchanged and both of them will still be responsible to the party Central Committee and the State Council.

The merger will not affect the existing practice of nominating people who are members of non-communist parties or without party affiliation to take leading positions in the supervision of government departments, the official noted.

Local party government discipline inspection departments will also alter their work style to meet the fast changes of the economic situation, according to the meeting. Wei urged the discipline inspectors across the country to make more intense efforts to combat various types of violations.

Overseas Passport Purchases Not To Be Recognized

OW1401131493 Beijing XINHUA in English 1129
GMT 14 Jan 93

[Text] Beijing, January 14 (XINHUA)—Purchase of an overseas passport is illegal in China and will not be recognized by the Chinese Government, the Ministry of Public Security announced here today.

The ministry reported that police departments have found some Chinese citizens purchasing overseas passports in order to engage in investment or other business activities in China in the guise of foreign businessmen. As a result some Chinese enterprises have been cheated.

Those who have purchased overseas passports want to enjoy preferential treatment for overseas investors on the one hand and enjoy the rights and interests of Chinese citizens on the other, according to the ministry.

An official in charge of the entry and exit bureau of the ministry reiterated that the Chinese Government will neither recognize the purchased overseas passports nor the foreign nationality of the purchasers nor the dual nationality.

Public security departments will confiscate purchased overseas passports as soon as they are discovered.

The official also called on domestic enterprises and individuals to remain vigilant against those who bear purchased passports so as not to be cheated.

Fang Zongyi, vice-director of the Meteorological Satellite Center under SMA, said China will use a Long March-3 carrier rocket to launch the satellite from the Xichang Satellite Launching Center in Sichuan Province.

Fang said the satellite will enable China to receive better weather forecasts for combating natural disasters.

According to Fang, the meteorological maps now in use are composed with the help of a Japanese weather satellite. However, because of its position, the satellite cannot give satisfactory meteorological maps of the western part of China.

Wen Jiabao Addresses Scientists' New Year Party

OW1401132193 Beijing XINHUA Domestic Service in Chinese 0933 GMT 14 Jan 93

["Text" of Wen Jiabao speech at 14 January Lunar New Year tea party for scientific and technological personnel in Beijing]

[Text] Beijing, 14 Jan (XINHUA)—Comrades and friends:

Today people from scientific and technological circles in Beijing are having a get-together to joyously celebrate the Lunar New Year. On behalf of the party Central Committee and the State Council, I would like to extend season's greetings and warm regards to all of you.

Over the past year, our country has achieved brilliant results in reform, opening up, and socialist modernization. These are the product of concerted efforts by all party members and by people of all nationalities across the country. Scientific and technological workers have worked hard to make important contributions to these efforts. I would like to take this opportunity to express my heartfelt thanks and high tribute to the broad ranks of scientific and technological workers around the country.

During the new year, we should steadfastly maintain the party's basic line; actively, fully, and correctly implement the guidelines of the 14th National Party Congress; and accelerate reform, opening up, and modernization under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Scientific and technological progress is vital to reform and construction. Currently, the key to expanding the functions of science and technology as the primary productive force lies in creating and improving the mechanism for effectively combining science and technology with the economy, in accelerating the commercialization of scientific and technological achievements, and in expediting the conversion of those achievements into practical productive forces. We should continue to maintain the principles of relying on science and technology in economic construction and of orienting scientific and technological work toward economic construction; should deepen reform of the scientific and technological

structure; should gradually institute a scientific and technological structure which is commensurate with the socialist market economy; and should further release and develop the primary productive force. We should make new progress in three areas—research and development, new and high technology as well as related industries, and basic industries. We should intensify efforts to research, experiment with, apply, and promote agriculture-related science and technology; to promote a highly efficient form of agriculture that produces better and greater yields; to make all-out efforts to promote technological advancement in industry; to use new and high technology to retool traditional industries; to develop new industries; and to increase our country's economic vitality in international competition. We should also apply the latest achievements in science and technology to population control, environmental protection, and resource conservation. We should actively stimulate all-around progress in culture, education, public health, physical culture, and other fields.

Scientific and technological workers are pioneer developers of advanced productive forces. Our country's scientific and technological personnel deem it their duty to make the country rich and strong in the interest of national prosperity. Innovative and dedicated, they demonstrate courage in tackling key problems, and they possess the ability to wage hard struggle. Over the past several decades, they have made countless stirring contributions toward our country's economic development, social progress, and national defense construction. During the new era—in which the program of reform, opening up, and economic construction is being accelerated—our country's scientific and technological workers should make greater use of their skills, knowledge, and creativity, and should scale new heights in the world's new scientific and technological revolution. Scientific and technological progress affects all of society. People in all segments of society should show concern and support for the development of scientific and technological programs; they should also care for and cherish scientific and technological workers. We should strive to create a fine environment that is more conducive to applying the skills and knowledge of scientific and technological workers. We should further foster the sound customs of respecting knowledge and trained personnel and of encouraging dedication. Party committees and governments at all levels and all quarters should continue to do more practical work for scientific and technological personnel; help them solve problems; and further improve their working, learning, and living conditions. We should show concern for the growth of young scientific and technological workers; in particular, we should pay attention to training trans-century scientific pioneers. I believe the broad ranks of scientific and technological workers in our country will surely live up to the earnest expectations of the party Central Committee with Comrade Jiang Zemin at the core and people of all nationalities. I believe they will certainly make new contributions toward socialist modernization.

Statistics show that, since 1985, 86 technologies developed by the design institute have won state and ministry-level awards for science and technology promotion. All those technologies have been spread among oil refining operations, bringing in over one billion yuan in profits each year.

Government Exports Superconducting Instruments

OW1301113693 Beijing XINHUA in English 0834
GMT 13 Jan 93

[Text] Chengdu, January 13 (XINHUA)—As another sign of China's technological progress, the country recently began to export magnetic needles—high-tech instruments used to test magnetic functions at different temperatures.

The magnetic needle, developed by the southwest China Physics Research Institute in Sichuan Province, is the first superconducting instrument made in China to continuously test magnetic functions at low temperatures. Its superiority has been proven on the international market.

The magnetic needle is used to test the magnetic properties of weak magnetic substances by means of electric magnetic induction. It can be employed to study the magnetization of substances under various temperatures, the high-temperature superconductivity of magnetic materials and the development of low-temperature non-magnetic materials.

The needle can also be used in medical fields, especially for testing the magnetic properties of blood to diagnose difficult and complicated illnesses.

New Method Developed in Producing Laser Beams

OW1301023193 Beijing XINHUA in English 0148
GMT 13 Jan 93

[Text] Changchun, January 13 (XINHUA)—China has successfully produced laser beams with a new method with leads all existing methods in the world.

Gao Jinyue, professor with Jilin University, northeast China, has observed laser signals in a sodium atom under the condition of "non-population inversion," which is opposite to the universally adopted "population inversion" method.

The new method can produce lasers of a much wider wave range with much more varieties of materials than present methods.

The research project has passed appraisal organized by the State Committee of the National Fund of Natural Science. Experts said that Gao's invention is the most advanced in the world. It has made a breakthrough in producing lasers.

Lasers have been widely adopted in scientific research, and for the military, industry and medical service. But

all kinds of usable lasers now are produced under the condition of "population inversion," which greatly limits the choice of laser wave ranges and production materials.

Gao presides over a research team in the university in Changchun city in northeast China's Jilin Province. He has devoted the past three years to proving that if an atom is excited by a ray of coherent light, it can produce a laser with no particle being inverted.

Gao's invention provides a bright prospect for the application of lasers in all areas. It may have a profound influence on laser research and theory.

Paper Urges 'Chinese Path' for Science Academy

HK1301085693 Beijing RENMIN RIBAO in Chinese
16 Dec 92 p 3

[Article by Zhou Guangzhao (0719 0342 0664): "Exploring a Chinese Path for the Chinese Academy of Sciences in the Course of Reform"]

[Text] Based on comprehensively summing up the theory and practice of building socialism with Chinese characteristics proposed by Comrade Deng Xiaoping, the 14th National CPC Congress clearly reiterated that the party's basic line of "one center, two basic points" will remain unchanged for 100 years; explicitly defined the reform of establishing a socialist market economic system; and worked out plans for accelerating the reforms in various fields. Inspired by the spirit of the 14th Party Congress, the whole country is vigorously entering a new period of development. The Chinese Academy of Sciences should keep abreast of the times, earnestly implement the spirit of the 14th Party Congress, greet the new situation and challenges of the 1990's with the scientific and practical spirit, lay down the development strategy which conforms to the objective laws and forges ahead, seize the favorable opportunity offered by history, organize our ranks well, and comprehensively boost China's scientific and technological undertakings.

The change from a planned socialist economic system to a socialist market economic system is a profound transformation which will inevitably give rise to changes, from productive forces to production relations and from the economic basis to the superstructure. The change-over is bound to encounter obstruction, setbacks, and pain. In the course of development, it will offer new opportunities enabling certain social regions and departments to develop rapidly and also cause great difficulties and recession in other regions and departments. Social undertakings and economic entities will become more independent and have greater vitality. Meanwhile, the sharp competition will further aggravate the uneven development and possibly bring forth new social problems.

organized competitive units with great vitality. It is necessary to fully arouse all the positive factors within the institutes, share out the work, enhance cooperation and the building of spiritual civilization, become a complete combat effective force, and take the initiative to strive for the projects, outlay, and qualified personnel. Proceeding from the actual reality of the institute, the academy, and the country, the research institutes should draft their own development strategy and independently carry out research work and reform.

4. The advantages in science and technology alone are not sufficient to win in the competition. Market demand, product design, production techniques, quality and cost control, sales promotion network, capital transfer, organization management, and public relations are all important links. It is necessary to learn what we do not know and become experts in a market economy. We should be good at seeking cooperation partners and quickly turn the scientific research achievements to commodities well received in the market through mutual complement and mutual benefit. The sign of success lies in a steady market proportion and average profits rather than the sales volume. A few years ago, a number of research institutes, including the Computer Institute, Technology Institute, Applied Chemical Institute, and Chengdu Biological Institute, adopted a vigorous and serious attitude, organized their ranks to march toward the market, and attained good results. We should learn from their example.

5. There are great risks in the market, which is fast changing. It is an extremely complicated and arduous labor to select a project and create advantage in competition. We should conduct thorough investigation and study and meticulously organize the work. Those who engage in speculation, develop projects blindly, are credulous, and even engage in improper operation by violating laws and moral values, are doomed to failure. We have had bitter lessons in this regard. Therefore, distinguishing and selecting capable scientific and technological entrepreneurs with lofty ideals, respecting them and charging them with important tasks, and establishing a standardized financial system and procedure for investment decisions constitute the organizational guarantee for attaining success and reducing risks.

6. The market is a powerful force for smashing the closed and conservative type systems. An increase in openness has increasingly enhanced the interaction of various social fields. Strong interaction produces varying results through different internal factors, accelerating the unevenness of development. Some factors have developed forward rapidly by arousing internal vitality and cohesive force while the others may tend to decline through stimulating the centrifugal and destructive forces. In the strong interaction system, the part which is developing rapidly upward is relatively stable while the part which is developing rather slowly and sluggishly is unsteady and tends to disintegrated and be eliminated. It is of great immediate significance to enhance the vitality and solidarity of the institutes as a whole. A united,

authoritative, and enterprising party or government leading body is the core of solidarity and the most crucial factor for invigorating the research institutes. Innumerable facts prove that the average quality of the ranks of the Chinese Academy of Sciences is high. Under the proper leadership of a good body, we can work out strategies for promoting reform and developing undertakings in light of developments in the situation, constantly sum up experience, overcome all kinds of difficulties, and lead the whole institute in winning victories in competition.

7. The spontaneous market force seeks short-term profits, constantly damages harmony between man and nature, wastes natural resources, and destroys the environment on which mankind depends for existence, making long-term and sustained social development impossible. It is the important responsibility of the Chinese Academy of Sciences to put the protection of the environmental ecology and resources in an important position, conduct protracted and systematic observations and comprehensive analyses, carry out propaganda, and enhance the sense of resources and environment of the whole nation. We have already done a great deal of work in this regard. The task ahead is to strengthen the systematic and comprehensive nature of research work and give full play to its social role.

8. Unlimited sharp competition will result in polarization, which is not what people with socialist ideals want to see. For the country's common prosperity, Chinese Academy of Sciences scientists made fruitful efforts with the people of the poverty stricken areas over the years to tackle soil problems with sand and alkaline, combat drought, improve the mountain areas, and develop agricultural production. This is our academy's glorious tradition. We will continue to use our hands and heads to develop new productive forces, enter the market, and strive to attain common prosperity.

9. Eliminate the "leftist" interference; deal correctly with intellectuals and youths understanding, showing concern for, trusting, and respecting them. It is the fine tradition of the Chinese Academy of Sciences to steadfastly arouse their enthusiasm for building the motherland and boosting science. The majority of intellectuals from China's science circles are concerned about the country and the people and are willing to contribute to science and the four modernizations. They have worked hard under strenuous conditions for a long time, quietly making their contributions and working for the prosperity of the country and the happiness of the people. They constitute a trustworthy and valuable force.

10. The most important achievements and experiences gained by the Chinese Academy of Sciences in political and ideological work include: With the party's basic line as the guide, the academy, on the road of its development, emancipated minds, sought truth from facts, proceeded from the conditions in the academy and country, respected knowledge and intellectuals, consciously introduced reform to arouse the enthusiasm of comrades

Bank of China Seeking Foreign Funds for Projects

HK1401014593 Beijing CHINA DAILY in English 14
Jan 93 p 2

[Article by staff reporter Ren Kan: "BOC Set To Raise More Money Abroad for Domestic Projects"]

[Text] The Bank of China [BOC], the country's major foreign exchange bank, is set to pool more foreign capital to give a shot in the arm to the country's economic development.

Wang Deyan, the bank's president, said yesterday the bank is expecting to raise money on Japanese, European and American bond markets.

Although the president did not reveal any more details, an official with the bank told China Daily earlier this year that the bank is considering London or Frankfurt as locations for issuing Euro-dollar bonds this year.

And analysts believed the issue would be \$150-\$200 million, which is an average size.

"We should grasp the favourable chances on the international monetary market to improve our work in raising foreign capital," Wang said at the bank's annual working conference.

Over the past eight years, the bank has floated \$2.85 billion worth of bonds abroad.

Wang said the bank will also seek to raise more foreign capital through long and medium-term loans.

He called on the bank to strengthen co-operation with foreign banks by exploring the business of international syndicated loans.

Meanwhile, the bank will seek to improve its work in the lending of foreign government loans, export buyer's credits, governmental mixed loans and international commercial loans.

Wang said his bank is experiencing a strategic shift in their business development.

The bank is seeking to expand its business both in renminbi and foreign exchange instead of limiting itself only to foreign exchange business.

And it will provide its service to State-owned, shareholding, collective and foreign-funded ventures instead of supplying services mainly to import and export firms as in the past.

Wang also listed the areas where the bank will give priorities in term of loans: energy, communications, telecommunications and raw materials industry.

The bank will strengthen its support for the development of new technology by supplying some specialized loans to high and new technology industrial development zones.

Industrial, Commercial Bank Head Outlines Plans

HK1401020393 Beijing CHINA DAILY in English 14
Jan 93 p 2

[Article by staff reporter Zhang Yu'an: "Bank Sector: The Market Beckons"]

[Text] The Industrial and Commercial Bank of China, the country's largest savings bank, is determined to gradually build itself into a comprehensive, multi-function State-owned commercial bank, indicating a major alteration in the country's tightly-controlled financial sector.

This was the message delivered yesterday by Zhang Xiao, president of the bank, at its annual conference held in Beijing.

In the past 40 years, Chinese banks have mainly acted as financial organs carrying out State instruction to suit the needs of a high-centralized, planned economy.

The new move will require the bank to shift its operations away from the planned economy to a socialist market economy and to make efficiency the core goal of all its tasks in the new year, Zhang said.

Being a commercial bank, it will have to readjust its loan strategy, attract more deposits to strengthen its loan capacity in face of fiercer competition on the domestic market, expand its international business through opening branches and offices abroad as well as directly raising funds on international financial market, Zhang said.

Top priority for loans will be given to agricultural production-related enterprises and infrastructural and service industries, but the bank will also give strong financial support to large and medium-sized collectively-owned firms and foreign-funded ventures that are in good financial shape.

More loans will also be injected into the development and construction of large commercial centres.

Meanwhile, mortgages will be provided to medium and small-sized private firms and self-employed business people that have the ability to repay, Zhang said.

To raise funds, the bank has decided to explore a variety of fundraising channels, such as issuing bonds, getting involved in securities trading and expanding its credit-card business at home, as well as enlarging its traditional method—attracting deposits from enterprises and individuals.

By the end of last year, total savings deposits in the bank reached 796.4 billion yuan (\$137.3 billion), representing a rise of 155.9 billion yuan (\$26.87 billion) or an increase of 24 percent over the 1991 figure.

In 1992, the bank provided a total of 136.6 billion yuan (\$23.55 billion) in fresh loans, pushing its total loans to stand at 933.7 billion yuan (\$160.98 billion), Zhang said.

they are completed, electricity installation capacity will be increased by 17.4 million kilowatts.

Latest statistics from the Ministry of Energy Resources (MER) show energy production in 1992 amounted to 1,056 million tons of standard coal, 13 million tons more than 1991. Among this number, coal accounts for 74.4 percent of production, crude oil 10 percent, natural gas 1.98 percent, hydropower 4.6 percent and nuclear power less than 0.05 percent. It is estimated that coal production hit 1.1 billion tons, compared with 1.08 billion in the previous year.

However, the growth of energy production failed to keep pace with the rapid economic advances. The energy headache has become more prominent recently.

Power has been in short supply for many years, especially in rural areas. In many places, home electric appliances, such as refrigerators and washing machines, cannot be put to normal use due to insufficient power supply. Occasional power cuts are not unusual, even in big cities, and candles are still being used for home lighting.

Statistics also show that in 1992, per capita power consumption was 600 kilowatt-hours, placing China 78th in the world. In some developed countries, the figure is 5,000 to 10,000 kilowatt-hours. According to MER, the electricity generating capacity increased by 10.8 percent in 1992 while the gross national product (GNP) grew by 12 percent, and industry increased by 18 percent. That indicates how far the supply of electricity missed the demand.

China boasts rich resources of coal and achieved a record high of coal production in 1992. However, its coal reserves are heavily concentrated in the northern part of the country. Shanxi Province, for example, is the biggest coal base, also an economically undeveloped region. Meanwhile, coal shortages in developed northeast, east and south China have affected industrial production and living standards in those areas. Therefore it is vital to improve the railway system so as to ship coal in Shanxi out to other provinces.

In order to solve the problem, the state has invested a total of 6.6 billion yuan, including 18.4 billion Japanese yen (US\$147 million) in loans from the Japanese government, to build the Datong-Qinhuangdao railroad in north China. The railroad links the cities of Datong, a major coal producer in Shanxi, and Qinhuangdao, the world's largest coal terminal.

Recently the railway line has opened to traffic, marking the start of China's first heavy-duty, double-track electrified railroad designed for coal transportation. As a strategic move to help ship out the rich coal resources of Shanxi, the 653-kilometer railway has the capacity to move some 55 million tons of coal annually. Its long-term handling capacity will top 100 million tons a year, earning it the title "China's energy lifeline."

Improved Railroad Construction Program Announced

HK1301062193 Beijing CHINA DAILY in English 13 Jan 93 p 3

[Report by staff reporter Xie Yiecheng: "Green Light Is Given To Build More Rail Track"]

[Text] More railway construction is needed in the next three years if China's economic hopes are to stay on track.

That was the signal given from the Ministry of Railways in announcing a revised railway development programme in the period to 1995.

The ministry's green light is for building 6,600 kilometres of new lines, double-track of 4,100 kilometres, and the electrification of 5,600 kilometres of existing rail lines.

The revised programme, announced by Minister Han Zhubin at a four-day national railway cadres conference, which began on Friday, is a big change from that reported in newspapers last summer. The plan then was to lay 6,100 kilometres of new track, double-track 3,600 kilometres of old lines and electrify another 3,600 kilometres of railroads.

Each year up to 1995 as much as 4,000 kilometres of railway construction is needed—twice the work volume of the past two years.

The good news is that two key railway projects, the Beijing-Kowloon new line and the double-tracking of Lanzhou-Urumqi line, are to be completed 1-1.5 years ahead of the original schedule.

To cater for booming foreign trade, rail links to a batch of seaports will be set up. Projects planned include the double-tracking of Hangzhou-Ningbo, Lanzhou-Yantai and Li-tang-Zhanjiang lines as well as new railroads in Pudong New Area and on the west coast of Hainan Island.

In the next three years, the ministry will spend a total of 92.2 billion yuan (\$15.9 billion) on capital construction and 32 billion (\$5.5 billion) on locomotive and rolling stock.

If these efforts materialize by 1995, China's operational rail mileage will have increased from the existing 53,000 kilometres to 60,000 kilometres. Of this 30 percent will be double-tracked and 23 percent electrified.

Meanwhile, more heavy-haul locomotives, open wagons, refrigerator wagons, and luxury passenger cars will run.

By the end of 1995, the national railways aim to carry 1.7 billion tons of freight and ferry 1.1 billion people annually, a growth of 180 million tons and 110 million people respectively over 1992.

The country built 358 km of railways, double-tracked 327 km of railway lines and electrified 631 km of lines last year.

Altogether, 18 deepwater and six medium-sized berths were built last year, adding a total handling capacity of 18 million tons.

In addition, the state built 190 km of expressways and 325 km of other highways for motor vehicles, and installed program-control telephone exchanges with a combined capacity of 3.3 million lines and long-distance telephone exchanges with a total of 72,000 lines last year. The newly-built Jinan airport in the capital of Shandong Province went into service last year.

Postal, Telecommunication Services Boom

OW1301133493 Beijing XINHUA in English 1104
GMT 13 Jan 93

[Text] Beijing, January 13 (XINHUA)—China's postal and telecommunications services registered a total business volume of 29 billion yuan (about 5.08 billion U.S. dollars) in 1992, an increase of 42 percent over the previous year.

Officials with the Ministry of Posts and Telecommunications said today that, in 1992, fixed assets held by China's postal and telecommunications services increased by 14.72 billion yuan, or 70 percent, over the previous year's total.

With the increase, China completed major postal and telecommunication projects in Guangzhou, Harbin, Hohhot, Shanghai and other coastal areas.

At the same time, 4.343 million line telephone switchboards were installed in the country's urban and rural regions. About 18.15 million new telephone sets were installed to bring the country's total telephone number to nearly 30 million.

Across the country, there is an average of 1.63 telephones for every 100 Chinese. In urban areas, the figure was up to ten telephones per 100 residents. The figure in the urban districts of Beijing reached 18 percent by the end of last year.

The officials said that China's postal and telecommunications services last year featured a quick increase in home telephones and in domestic or international direct dialing telephones.

At present, up to 37 percent of China's urban telephones are owned by individual households.

By the end of last year, 876 cities and counties could make international direct calls, while 1,476 cities and counties had access to the domestic direct calling network.

In addition, other communications facilities, such as pager systems and mobile telephone systems, were expanded in China last year.

strong party spirit, good political thinking, strong policymaking, and working capabilities, and are familiar with economics in organization departments. Workers and cadres of organizational departments must study and understand economics. In particular, they must study and grasp relevant principles, policies, and laws of the party and government on economic work. They should understand the fundamental knowledge and laws of economic situations, economic strategies, and economic work. They should further improve their working methods and styles, and continue to upgrade the quality of their political ideologies and the level of organization work.

At the meeting, 18 advanced collectives and 150 outstanding individuals in organizational work were commended.

Jiangxi Leaders Address Rural Work Meeting

HK1401070893 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 8 Jan 93

[Excerpts] A provincial rural work conference was convened by the provincial party committee and provincial government in Nanchang on 7 and 8 January where the work for agriculture and the countryside was discussed and planned specifically for this year. At the conference, Mao Zhiyong and Wu Guanzheng spoke on issues such as the current situation in agriculture, ways to boost the basic position of agriculture, ways to strengthen the party's guidance on rural work, and others. They also spelled out clear demands regarding a satisfactory performance in agriculture and rural work this year. Meanwhile, Zhang Fengyu delivered a speech entitled: Strive To Promote Reform and Opening Up, Accelerate Development of the Market Economy, and Endeavor To Raise Agriculture and Rural Economy to New Heights This Year.

Leaders of principal departments in various prefectures and cities as well as in leading departments under the provincial government also spoke at the conference. They summed up the experiences in agriculture and rural work last year and presented ideas for this year's undertakings. Counties and prefectures like Yongxiu and Nanchang presented their work experience.

The conference participants maintained that the past year was one marked by remarkable accomplishments in the province's rural work. The cadres at all levels and the people around the province actively promoted reform, expanded opening up, overcame the effects of various unfavorable factors like the weather and the market, achieved a comprehensive bumper harvest in agriculture, and comprehensively advanced in the rural economy. The per capita net income of peasants came to 768 yuan, or 96 yuan more than last year, and registered one of the highest rates of increase in recent years. [passage omitted]

The conference participants emphatically pointed out: The excessively heavy burden of the peasants has already become a focal point of social concern at the moment.

The party committees and governments at all levels should consider efforts to realistically reduce the peasants' burden as a main task designed to forge closer ties between the party and the people and between the cadres and people, consolidate the alliance of workers and peasants, and transform governmental functions. The peasants' burden for this year should be kept within 5 percent of the peasants' per capita net income last year. All localities should keep a tight grip on this task and treat it as a major undertaking.

The conference participants also called on all localities to do a good job in preparations for all aspects of work related to spring cultivation and production, strive to take the initiative, and make excellent conditions for this year's agricultural production.

Shanghai Mayor Discusses Agricultural Production

OW1301144293 Shanghai JIEFANG RIBAO in Chinese
5 Jan 93 p 1

[Article by reporter Zhu Ruihua (2612 3843 5478): "Huang Ju Stresses at Conference of Leading Municipal Party and Government Cadres That All Trades and Professions Must Consider Agriculture Important and Persist in Finding New Ways During Reform"]

[Text] For the first time since New Year's Day, the Shanghai Municipal Party Committee and the municipal government called a meeting for leading party and government leaders yesterday to study the guidelines which General Secretary Jiang Zemin and Premier Li Peng gave in their speeches about agricultural issues. In conjunction with Shanghai's actual situation, the meeting participants also set new measures for strengthening agriculture under a socialist market economic system. Making an important speech on behalf of the municipal party committee and the government, Mayor Huang Ju called on all trades and professions in Shanghai to attach importance to agriculture and exercise stronger leadership over agriculture and rural work in all spheres in an effort to stabilize and promote agricultural production in rural Shanghai.

Mayor Huang Ju began his speech by examining the gratifying situation of Shanghai's agriculture and rural economy. He said: Ever since the reform and open policies were adopted, rural Shanghai, under the guidance of the principles and policies drawn up by the party Central Committee and the State Council, has been able to maintain sustained and steady agricultural and economic development. This good momentum in development can be observed in four areas: 1) While the size of available cropland has shrunk as a result of rapid development of the first, second, and tertiary industries, agricultural production remains vital, and all major targets set for agricultural and sideline production have been fulfilled or overfulfilled, and the total grain output has been maintained at about 2.35 billion kg; 2) the steady and rising output of nonstaple food and constant improvement of food varieties and quality have ensured the

Soon after Chinese Premier Li Peng announced the opening of Pudong to the outside world in April 1990, Mitsuyuki Sasaki, chairman of the board of directors of the Shanghai Iris Clothing Co. Ltd, inspected Pudong and co-operated with the Shanghai Jinqiao Export-Processing Development Company to set up the garment factory solely funded by himself in 1991.

Enjoying preferential treatment from the Shanghai Municipal Government, the factory, with an investment of 320 million Japanese yen, went into operation in the same year.

According to Mitsuyuki Sasaki, the factory produces high-grade underclothes for women and all the products are exported to Japan.

Zhejiang Elects Li Zemin, Wan Xueyuan as Leaders

OW1401133793 Beijing XINHUA in English 1320 GMT 14 Jan 93

[Text] Hangzhou, January 14 (XINHUA)—Wan Xueyuan, 52, was elected governor of east China's Zhejiang Province at the first session of the Eighth Zhejiang Provincial People's Congress held here today.

Meanwhile, Li Zemin, 58, was elected chairman of the Standing Committee of the Zhejiang Provincial People's Congress.

Previously, Wan Xueyuan had served as secretary-general of the Shanghai Municipal People's Government and vice-governor of Zhejiang Province.

Li Zemin was born in November, 1934. He is concurrently a member of the 14th Central Committee of the Communist Party of China (CPC) and secretary of Zhejiang Provincial Committee of the CPC.

Central-South Region

Guangdong's Xie Fei Appeals for More Trade

HK1301150593 Beijing ZHONGGUO XINWEN SHE in English 1219 GMT 13 Jan 93

[Text] Guangzhou, January 13 (CNS)—The secretary of the Guangdong Provincial Party Committee, Mr. Xie Fei, appealed for a break-through in the province's foreign economic relations and trade this year when attending a conference held here today.

Mr. Xie put forward five points to achieve such a break-through. First, new foreign economic relations and trade practices should be striven for in order to meet the socialist market economy system. The establishment of such a system can help Guangdong become better involved in international competition and operate in accordance with international practice.

Second, for the introduction of new investment items, great efforts should be made to bring in a large number of

them and they should be of new high technology. Both hardware such as equipment and software including technology should be given equal importance in the introduction of items.

Third, a breakthrough needs to be achieved in the absorption, digestion and creation of new technology.

Fourth, the technological level and the quality of exports should be emphasized. Guangdong has to apply international criteria to its exports in a bid to upgrade quality.

Fifth, foreign economic and trade markets should be developed in a diversified way. The province needs to study the markets in various regions around the world and formulate appropriate policies and measures. The administration of overseas enterprises and institutions should be strengthened in order to exercise their functions.

Guangdong Official on Falling Grain Production

HK1401062393 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 8 Jan 93

[Text] This morning, (Luo Dejin), deputy director of the provincial agriculture department, briefed agricultural experts and reporters on the grim situation in our province's grains production. Last year, the acreage devoted to the planting of grains and rice fell for the first time to its lowest point since the PRC's founding, standing at 53.05 million mu and 43.17 million mu, respectively, or 3.38 million mu and 2.79 million mu lower than those of the previous year, respectively.

Total grain production for the year reached 18.01 million metric tons, a decrease of 720,000 metric tons over that of the previous year. In particular, total rice production was 15.96 million metric tons, a decrease of 540,000 metric tons over that of the previous year.

It was learned that the main reason behind the drastic decline in the peasants' initiative to plant grains was that grains prices are too low. The price for third-grade unhusked rice last summer was generally about 25 yuan per dan [unit of weight equivalent to 50 kg], while the lower grade grains could only command 18 yuan per dan, the lowest price in recent years.

Because of poor economic results and even loss of money from the planting of grains, prices of unhusked rice have plunged and agriculture has been adversely affected, causing the acreage devoted to grains planted in the province to continue to shrink drastically this year. According to statistics from the latest analyses by agriculture departments in various cities around the province, the acreage devoted to grains planted in the province will decrease by 4 million mu, while the acreage devoted to hybrid rice will fall by 3 million mu. Even though the acreage devoted to planting high-quality rice will rise by 6 million mu, total grains production is expected to fall by more than 1 million metric tons.

line with the objective of establishing a socialist market economic system; and focused on the deepening of the reform of enterprises and transformation of their operational mechanisms. They have achieved remarkable results.

On the transformation of the operational mechanisms of enterprises, the autonomous regional government published early this year a circular which provided for the implementation on an experimental basis of comprehensive reform, including the transformation of operation mechanisms, in large and medium-sized industrial enterprises under the system of ownership by all the people. It also named about 100 enterprises, including the Nanning Machinery Plant and the Liuzhou Engineering and Machinery Group, for the experiment.

After the State Council promulgated regulations on transformation of operational mechanisms in industrial enterprises under the system of ownership by the all the people, the autonomous regional government formulated the methods for implementation of the regulations. In transforming operational mechanisms, the various enterprises involved in the experiment began with structural readjustment and personnel reduction by actively reforming the personnel, labor and employment, and wage distribution systems.

The Beihai City Paper Manufacturing Plant took the lead in the autonomous region in introducing an all-year labor contract system with the plant's workers bidding farewell to the iron rice bowl, ironclad wages, and the iron armchair. [passage omitted]

The enterprises implementing the shareholding system on an experimental basis carry on steadily. In line with the demands for stronger leadership, bold experiments, steady advance, and strict standardization, the autonomous region approved the establishment of about 39 joint stock companies with total capital stocks of 3.24 billion yuan. The shareholding system has played a positive role in raising construction funds, transforming operational mechanisms of enterprises, boosting employee shares of profits, realizing the rational flow of assets, and others. [passage omitted]

Hainan's Deng Hongxun on 14th CPC Congress

HK1401071493 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 2 Jan 93

[Excerpts] Today [3 January], HAINAN RIBAO carries, on the headline corner on the front page, all of page two, and page six, provincial party Secretary Deng Hongxun's speech delivered on 28 December 1992 at the eighth enlarged plenary session of the first provincial CPC committee. The speech called for thoroughly implementing the spirit of the 14th CPC National Congress, strengthening [words indistinct], and quickening the pace of Hainan's reform, opening up, and modernization. Secretary Deng's report is divided into several parts: First, fully affirm achievements in establishing Hainan as a province and as a special economic zone

[SEZ] over the past five years and quicken the pace of reform, opening up, and modernization with full confidence. Second, conscientiously sum up experiences and make efforts to explore new ways of construction of the SEZ. Third, define the goals and major tasks for the construction of the SEZ during the new period and further upgrade its construction. Fourth, strengthen and improve the CPC's leadership and ensure that the SEZ's construction can proceed smoothly.

In his report, Secretary Deng said: The meeting was called at a time when everyone across the country is thoroughly implementing and putting into practice the spirit of the 14th CPC National Congress and is further stepping up the pace of reform, opening up, and modernization. In the history of the CPC, the 14th CPC National Congress is a pioneering one linking the past and the future and is a new milestone in China's socialist modernization drive. The report given by Comrade Jiang Zemin at the 14th CPC National Congress systematically summed up the basic practice and experiences in the past 14 years since the Third Plenary Session of the 11th CPC Central Committee, brilliantly expounded Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the CPC's basic line, fully affirmed the important role of this theory in the history of the development of Marxism, and scientifically analyzed the domestic and international situations. It has clearly stated that establishing a socialist market economic system is the general goal for China's future economic structural reform, advanced 10 tasks for China to step up reform and opening up and promote overall economic and social progress in the 1990's, and advanced the basic demand of strengthening the CPC's building and improvement of leadership during the new historical period. Comrade Jiang Zemin's report is a programmatic document guiding China's socialist modernization. Implementing the spirit of the congress will definitely open a new chapter in China's socialist modernization and bring greater success in the socialist cause with Chinese characteristics.

The major tasks of the enlarged plenary session of the provincial CPC committee were to conscientiously study and implement the spirit of the 14th CPC National Congress, sum up experiences in light of the actual situations, and set goals and major tasks for quickening reform and opening up and economic construction for the province for some time, prepare work for next year, mobilize the vast numbers of party members and cadres and people across the province to further emancipate their minds, arouse their enthusiasm, strengthen the sense of urgency, and make concerted efforts to upgrade the construction of the Hainan SEZ.

Hainan Governor on Agricultural Production

HK1401050393 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 2 Jan 93

[Text] On 1 and 2 January, Governor Liu Jianfeng headed persons in charge of the provincial financial and

the agricultural materials fund and ways to reduce the peasants' burden. [passage omitted]

After listening to a work report in Zhoukou Prefecture, Li Changchun first affirmed in full the achievements that Zhoukou Prefecture had accomplished in various undertakings in the past year. At the same time, he spelled out a few demands:

1. The agricultural materials fund should be used exclusively for its stated purpose, to ensure that the fund is turned over entirely to the peasants before the 15th, and thus the peasants will be allowed to have a happy Spring Festival.

2. The peasants' burden should be realistically reduced in compliance with the standards defined by the State Council. It is hoped that Zhoukou Prefecture will build experiences relating to the issue of reducing the peasants' burden for the sake of the entire province.

3. It is necessary to take advantage of opportunities to develop oneself and explore a path of rejuvenating the economy of an agricultural land as soon as possible. It is also necessary to establish all kinds of service-oriented economic entities; accelerate the pace to achieve high yield, high quality, and high efficiency; vigorously develop township and town enterprises; and steer the peasants toward the market to open a path marked by an export-earning agriculture, a market-oriented agriculture, and an agriculture which stresses science and technology.

4. It is necessary to step up the building of rural grass-roots organizations with the party branch committee at the core. Firm efforts should be made this year to transform party branch committees that are lagging behind others. All localities should set a deadline on the rectification of backward party branch committees, train the party branch secretaries group by group, and implement the four ones requirements: Select and assign one good party branch secretary; establish one good party branch committee; strengthen one good system; and come up with one good idea on economic development, and advance to a life of modest comfort to change the backwardness of this type of village as soon as possible.

Finally, Li Changchun called for a further strengthening of the building of leading bodies at all levels. In line with the demands of the 14th party congress, leading bodies at all levels should be built into battle command centers which are united, do solid work, innovative, honest, and highly efficient, and which will lead the cadres and people in striving to achieve the objective of one high, one low [is heard] by holding high the banner of unity, progress, and rejuvenation of Henan.

Hubei Leaders Attend Tea Party 7 Jan

HK1401050193 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 7 Jan 93

[Excerpts] In view of the coming Spring Festival, a tea party to welcome the Spring Festival in Hubei Province

was held this afternoon at the Hongshan Guesthouse for the people from all circles in the province. Everyone recalled with joy the enormous achievements obtained in the province last year and vowed to struggle to raise Hubei's economy to a new level more rapidly and more satisfactorily in the coming year.

The leading comrades of the provincial party committee, provincial advisory commission, provincial people's congress, provincial government, provincial Chinese People's Political Consultative Conference [CPPCC], provincial discipline inspection commission, and provincial Military District, including Guan Guangfu [provincial governor], Hui Liangyu, Qian Yunlu, Zhong Shuqiao, Ding Fengying, Zheng Yunfei, Wang Zhongnong, Liu Guoyu, Chen Ming, Ma Liang, You Hongtao, Yu Leng, Huang Zhizhen, Chen Fusheng, Wang Hanzhang, Wang Zhizhuo, Wang Ruisheng, Li Haizhong, Huang Zhengxia, Wang Libin, Xiao Quantao, Zhang Huainian, Shen Yinluo, Mu Changsheng, Hu Hengshan, Zhang Wencai, Rong Yifen, Lin Shaonan, Han Wenqing, Xie Zhi, Jiang Tiancong, Zhou Zibo, Ping Linbo, Zeng Chonglang, Wang Congwen, and Gao Guobin attended the tea party.

Also present at the tea party were members of the Central Advisory Commission and old comrades who used to be members of the Wuhan military command and the discipline inspection commission of the Fifth Provincial Party Committee who were in Wuhan, including: Han Yingfu, Dong Qingde, Ren Rong, Wu Ruishan, Zhou Jigang, Zhen Zhishi, Li Guangxin, Shi Zhirong, Xie Wei, Xu Junbiao, Hao Yan, Sun Yaohua, Ma Goushu, and Pang Zhensheng.

Persons in charge of the various democratic parties in our province, representatives of people from all strata, members of the standing committee of the provincial people's congress, members the national CPPCC committee who were in Wuhan, members of the standing committee of provincial CPPCC, and members of the provincial literary associations were also present at the tea party.

The tea party was presided over by Shen Yinluo, chairman of the CPPCC Hubei Provincial Committee. Hui Liangyu, provincial party deputy secretary, delivered a warm and enthusiastic speech on behalf of the provincial party committee and the provincial government. [passage omitted]

Shen Kechang, representative of various democratic parties and concerned mass organizations, and Zhen Yingyao, representative of nonparty personages, also spoke at the tea party, where they expressed the resolve to strengthen their sense of mission and responsibility, further emancipate the mind, work earnestly, and unite to forge ahead.

Finally, the participants enjoyed a spectacular performance by the provincial song and dance ensemble in an atmosphere of enthusiasm and harmony.

enterprises, and therefore, cannot be given to peasants in time. It will take a process before really delivering funds to peasants. In view of this situation, the provincial government has decided to instruct the office of the provincial leading group responsible for allocating funds to begin handling official work around the clock on 6 January and to solve problems in a timely manner. Beginning on 10 January, the provincial government has dispatched 10 work groups to various prefectures and cities to specially examine whether the purchasing funds have been put in place. The provincial Light Industrial Department has organized four work groups to all sugar refineries and flax plants to supervise and examine the situation of delivering funds and tried its utmost to guarantee that all grain funds and funds for farm and sideline products which they owed the peasants will be given to them prior to the Spring Festival.

Heilongjiang Invests in Telecommunications

OW1401041393 Beijing XINHUA in English 0344
GMT 14 Jan 93

[Text] Harbin, January 14 (XINHUA)—The investment in post and telecommunications in northeast China's Heilongjiang Province is expected to exceed five billion yuan (about 877 million U.S. dollars) during the Eighth Five-Year Plan period (1991—95).

According to a recent post and telecommunications conference, the telephone exchange capacity in cities will be 1.6 million lines while that in rural areas will be 200,000.

The province will also increase its automatic long-distance telephone exchange capacity by 50,000 links and finish the construction of 13 post offices.

Program-controlled telephones will be installed in towns and cities by 1994. All the cities in the province will open portable telephone services and popularize digital telecommunication lines. Direct dial services will be available in both cities and rural areas as well as teleconference services.

Key projects scheduled to be completed this year include construction of 2,184 km of optic-fiber and digital micro-wave telecommunication lines, installation of 350,000 program-controlled telephones, the opening of 2,280 long-distance lines, five long-distance service networks and eight portable telephone service networks.

A long-distance telephone switchboard and a ground station for satellite communication will also come into operation in Harbin this year.

Inner Mongolia Chairman Inspects Jilin

SK1201022293 Changchun JILIN RIBAO in Chinese
17 Dec 92 p 1

[By reporter Yuan Huanzhang (5913 3562 4545): "Bu He, Chairman of the Inner Mongolia Autonomous Regional Government, Inspects Jilin"]

[Text] Bu He, chairman of the Inner Mongolia Autonomous Regional government, and his party inspected Jilin Province from 8 to 14 December.

On 8 December in Changchun, Chairman Bu He attended the activities in celebration of the 10th anniversary of the establishment of the Northeast China Inner Mongolia Coal Group and the Northeast China Inner Mongolia Coal Integrated Company. After that, accompanied by leading comrades of the Jilin Provincial party committee and government, including He Zhukang, Gao Yan, Gu Changchun, Wu Yixia, and Zhang Yueqi, Bu He and his party successively inspected cities of Changchun, Jilin, Siping, and Songliao; Qian Gorlos Mongol Autonomous County; and Baicheng Prefecture. Wherever they went, they were warmly welcomed by the local cadres and people.

Chairman Bu He once visited Jilin in 1948. So, he is an old friend of the Jilin people. He came back again after 44 years. This time, he highly appraised the Jilin people's gratifying achievements in the socialist modernization, particularly the gigantic changes that have taken place since reform and open up. After inspecting the Jilin chemical industrial company, the Changchun No. 1 vehicle manufacturing plant, the Hongzui agricultural-industrial-commercial corporation of Siping city, and the commercial-trade street of Qian Gorlos, he fully affirmed the Jilin people's achievements in conscientiously implementing the guidelines of the 14th CPC Congress, speeding up the transformation of the state-owned enterprise managerial mechanism to serve the setup of the socialist market economic system, changing the government functions, and vigorously developing town and township enterprises and tertiary industry.

The boundary between Jilin Province and the Inner Mongolia Autonomous region is more than 800 kilometers in length. Over a long period of time, the peoples of the province and the region live in harmony and have established extremely close economic contacts. Through consultation between Chairman Bu He and leaders of Jilin Province, both sides decided to further strengthen the friendly cooperation, lateral economic cooperation, mutual benefits, and mutual development.

Accompanied by He Zhukang, on 13 December, Chairman Bu He inspected the Qian Gorlos Mongol Autonomous County. According to the highest courtesy of the Monggol nationality, Eerdunbagan, deputy secretary of the Qian Gorlos Mongol Autonomous County party committee and acting head of the county, presented a white hada to Chairman Bu He and extended fine wishes to the honorable guests. Chairman Bu He joyfully wielded his writing brush and inscribed: "Prosperous Qian Gorlos."

On the morning of 14 December, Chairman Bu He inspected Baicheng Prefecture accompanied by Comrade He Zhukang. He heard the work reports delivered by responsible comrades of the Baicheng Prefectural

China's practice but also to the economic development law of the world. This represents a new contribution made by our party to Marxism, which will further help liberate and develop productive forces. Fifth, the congress specified the major tasks for the 1990's and defined the principles and measures for accomplishing these tasks. This indicates that a tremendous breakthrough will emerge in the level of the productive forces of China's socialist society. Therefore, we may say that the 14th CPC Congress raised the curtain on the most magnificent development in Chinese history. The 14th CPC Congress set clear demands on new development based on our successful experiences and development achievements. They will be turned into people's firm steps toward a new stage and will initiate a great development and prosperity of China's socialist cause. Comrade He Zhukang pointed out: Our current most important task is, in response to the call of the 14th CPC Congress, to arm the entire party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and to have more initiative and be more resolute in implementing the party's basic line. We should understand in a scientific manner the theory of building socialism with Chinese characteristics and see to it that we have a thorough command of it. When understanding this theory, we should have a good command of the following three issues. First, the philosophical foundation for the theory of building socialism with Chinese characteristics is the Marxist theory on practice. Second, the quintessence of the theory of building socialism with Chinese characteristics is emancipating the mind and seeking truth from facts. Third, the key issue of the theory of building socialism with Chinese characteristics is liberating and developing productive forces. To enable the theory of building socialism with Chinese characteristics to embody in practice, the most fundamental way is to adhere to the party's basic line without wavering. The party's basic line consisting of "one central task and two basic points" is the epitome of the theory of building socialism with Chinese characteristics. When judging how a party member or a cadre has studied and persisted in the theory of building socialism with Chinese characteristics, we should first see how he has adhered to the party's basic line. First, the most important and key work of adherence to the party's basic line without wavering is to have a firm grip of the central task of economic construction. Second, to adhere to the party's basic line without wavering, we should achieve unity between the endeavor of reform and opening up and the adherence to the four cardinal principles. Third, to adhere to the party's basic line without wavering, we should consolidate and develop the stable and united political situation.

The goal of China's economic restructuring is to establish the socialist market economy system to help further liberate and develop productive forces. This indicates another major breakthrough in our understanding of the relationship between planning and the market. On establishing the socialist market economy system, Comrade He Zhukang pointed out in his supplementary report:

We should particularly resolve the following issues on our understanding: 1) the relationship between the market economy and the commodity economy, 2) the relationship between the planned commodity economy and the socialist market economy, 3) the relationship between the socialist market economy and the capitalist market economy, and 4) the several transformations we should accomplish in promoting the socialist market economy. Judging from the current situation, we should emphasize the following work. First, we should accelerate the transformation of the operating mechanism of state enterprises and, in particular, achieve success in the reform of the property right system of these enterprises so that government functions can be separated from business management and enterprises can be pushed to the market and truly become legal entities and major competitors in the market which are independent in management, responsible for their own profits and losses, and capable of self-development and self-restraint. Second, we should establish a unified and open socialist market system. Third, we should change government functions.

Strengthening party building and improving party leadership have a direct bearing on the success or failure of our cause. In view of this, Comrade He Zhukang emphasized in his supplementary report: Party committees and governments at all levels should conscientiously study and treat the extreme necessity for strengthening party building under the socialist market economy system. First, in the socialist market economy, the entire political interest of society can only be represented by the CPC. Second, the specific characteristics of the growth of the socialist market economy require the communist party's firm leadership. We should pay attention to work priorities and achieve comprehensive and realistic success in party building. We should emphasize the following work. We should break with dogmatism and adhere to the ideological line of seeking truth from facts. We should further eliminate the remnants of the idea of "taking class struggle as the key link" and persist in the central task of economic construction without wavering. We should abandon the ideas of sticking to old ways and closing our doors and take resolute steps in reform and opening up. We should change the mental attitude of doing nothing and work hard to raise the economy to a new level.

After the supplementary report, the provincial party committee set specific demands on the next steps of study of the documents of the 14th CPC Congress. Beginning December, cadres at all levels throughout the province will start study on special topics after carefully reading and mastering the basic guidelines of the documents. Leading cadres at all levels should take lead in the study and in giving explanation. The study should be conducted in line with specific local conditions. While studying the documents, we should also study Comrade Deng Xiaoping's works and his speeches given during his south China inspection.

province should carry out the system of contract for input and output and positively carry out the shareholding system. The priority to opening to the outside world in 1993 is to speed up the graft-typed transformation of old enterprises. Practices showed that the most effective way for transforming old enterprises is to conduct cooperation with foreign businessmen and to conduct graft-typed transformation. So far, our province has 450 enterprises that conduct graft-typed transformation, only accounting for 1.73 percent of the province's total enterprises. All localities should be braver in doing the work in this aspect. In line with actual conditions, localities are allowed to appropriately relax the conditions for cooperation.

Third, we should exert efforts to make structural readjustment. To speed up the readjustment of the industrial structure, we should strengthen the development of the primary industry, optimize the secondary industry, and vigorously develop tertiary industry. We should speed up the readjustment of the industrial structure and ensure a coordinate development of the light and heavy industries. We should develop new high-tech and intensive and precision processing to upgrade the technical contents and added value of the products. We should speed up the readjustment of enterprise internal structure and develop enterprises toward the specialized and socialized orientation. We should speed up the readjustment of ownership structure and give free reins to the development of non-public sectors of the economy.

Fourth, we should exert efforts to cultivate new economic growth points. If we can grasp new growth points, we will be able to pioneer an economic way for low input and high output.

Fifth, we should exert efforts to increase economic results. We should first take economic results into consideration in arranging various kinds of economic activities. We must never blindly expand scale or seek speed. We should create a big environment of stressing and striving for efficiency.

In regard to the prospects for economic development, Governor Yue Qifeng pointed out: This year, we should make breakthroughs in six aspects.

First, we should make a new breakthrough in developing town and township enterprises and strive to ensure that the total output value will exceed 100 billion yuan.

Second, we should make a new breakthrough in developing high-yield, good-quality, and high-efficient agriculture, particularly readjusting the cropping structure.

Third, we should make a new breakthrough in transforming old enterprises with foreign capital, bringing in foreign capital, and conducting cooperation.

Fourth, we should make a new breakthrough in changing the property rights of large and medium-sized enterprises.

Fifth, we should make a new breakthrough in establishing markets for means of production, particularly state-level steel products, machinery, chemical industrial, and coal markets.

Sixth, we should make a new breakthrough in developing new high-tech industries, vigorously developing precision and intensive processing, and readjusting the enterprise structure.

Comrade Yue Qifeng stressed that this year, we should attend to the fulfillment of the aforementioned tasks so as to upgrade the economic work to a new level.

Wen Shizhen Remarks Noted

SK1201060093 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 11 Jan 93

[Text] At the provincial planning and economic work conference that was held on 10 January, Wen Shizhen, vice governor of the provincial government, made a report entitled "Comprehensively Implement the Guidelines of the 14th CPC Congress And Create A New Situation in Reform, Open Up, And Economic Construction."

Wen Shizhen pointed out in his report: In 1992, our province set another record in terms of its rapid economic development after implementation of the reform and open policy. On the basis of taking a turn for the better in the economy in 1991, the province's economy continued to comprehensively increase in 1992. It is expected that the GNP should increase 11 percent and the revenues should increase 5 percent. The rural economy was steadily developed. The province reaped a bumper grain harvest. The total grain output reached 15.68 billion kg. The total output value of the industrial enterprises is expected to reach 75 billion yuan, an increase of more than 30 percent over 1991. The per capita net income of the peasants reached 1,000 yuan. If price factors are deducted, the per capita net income of the peasants increased about 7 percent over the figure of 1991. The urban and rural markets were stable. The rise of retail price index was controlled about 6 percent.

Wen Shizhen pointed out in his report: In 1992, the province made greater economic progress when compared with itself. However, the economic growth rate of the province only remained at the national moderate level. The industrial growth rate of the province was 6 percentage point lower than the national industrial growth rate. Some structural contradictions still prominently existed. Our light and textile industries still failed to tide over their strained circumstances. We should pay attention to these problems.

Wen Shizhen analyzed the provincial economic development situation in 1993 in his report, he maintained: In 1993, the province is still able to maintain a faster economic growth trend. However, by analyzing the macroeconomic situation, we know that we still have to study some new situations. After China becomes a

He said: The rural areas in the province registered a decrease in economic results from grain production. All fronts apportioned expenses from the peasants. Some rural policies have not been well implemented. The rural work has not been put in an important position. These problems must be solved.

In regard to the issue of enlivening state-owned large and medium-sized enterprises, Quan Shuren stressed: We should implement various policies and measures of the central authorities and the province on changing the enterprise managerial mechanisms. The five kinds of property management forms of enlivening 700 large and medium-sized enterprises should be implemented among these enterprises one after another. These forms must not be changed under any circumstances.

He also stressed: We should attend to the readjustment of enterprise property right structure, organizational structure, and product mix to promote the coordination of old enterprises with international markets and to rapidly solve the problems relating to the deficits of enterprises, the stockpiling of products, and the strain on transportation.

He said: Now, it is time to establish a new enterprise leadership system, balance the relations of property rights, and reform three systems. We must not wait any more. In line with the regulations and the guidelines of relevant documents, we should dare to try and do pioneering work. [words indistinct]. This year, we should speed up the deepening of reform and [words indistinct].

In regard to the expansion of the scale of opening to the outside world, Quan Shuren stressed that we should pioneer new ways and make great accomplishment. He said: This year, the province should enter other new stages in regard to using foreign capital and creating foreign exchange through exports.

Liaoning City Abolishes 2 Economic Development Zones

*HK1301092493 Beijing ZHONGGUO XINWEN SHE
in English 1631 GMT 13 Jan 93*

[Text] Shenyang, January 13 (CNS)—Benxi, a city in Liaoning Province, recently decided to abolish two economic development zones.

The city planned to set up four development zones in the first half of last year, namely the Shiqiaozi Economic and technological Development Zone, the Shuidong Hot Spring Tourist Development Zone, the Zhengjia Chemical Industry Development Zone and the Yongfeng Commercial Development Zone.

After a period of six month's trial, the Benxi authorities grew aware that the excessiveness of development zones would result in an overall weakened strength while some of the projects involved in the development zones would in fact be regular urban build-up and could not really be considered "development zone" work as such. The city then decided not to go ahead with the Zhengjia Chemical Industry Development Zone and the Yongfeng Commercial Development Zone.

in 1992, though falling short of the projected 7 percent, topped that of the world's major industrial countries and newly industrialized economies.

In a report on domestic economic conditions during the past two and a half years, which coincides with the tenure of the Hao cabinet, the CEPD rated the nation's economic performance "unsatisfactory but acceptable."

Premier Hao Po-tsun assumed office in June 1990.

Tsui Tsu-kan, CEPD vice chairman and concurrently spokesman, pointed out that the world slump did have negative effects on domestic economic development.

The index of leading indicators, which is designed to forecast the country's economic activities three to five months in advance, hovered in a narrow range last year, he said.

The global economy advanced a meager 0.5 percent last year after experiencing a 0.9 percent negative growth in 1991 and an average annual 3.8 percent rise in the previous three decades.

By comparison, the official noted, the domestic economy began its steady growth in the fourth quarter of 1990 after hitting the bottom in August the same year.

Taiwan's gross national product (GNP), which ranked 21st in the world in 1990 with US\$160 billion, was among the world's top 20 performers in 1992 with US\$210 billion. Per capita GNP jumped to US\$10,196 in 1992 from US\$7,954 in 1990.

GNP, a country's total output in goods and services, is the broadest measure of economic health.

Tsui further reported that the country boasted a foreign trade of US\$153.5 billion last year, with its trade surplus plunging 28.8 percent from a year before to US\$9.5 billion.

Noting that domestic investment played an important role in the economy, he said investments made by the private sector took a great leap forward from a negative 8.1 percent growth in 1990 to an 1.8 percent advance in 1991 and a substantial 14.1 percent increase in 1992.

The domestic economy received the lackluster "yellow-blue" or "blue" light from March 1990 to April 1991, after which the safe "green light" continued for 16 straight months, he pointed out, adding that September and November last year saw the flash of a "yellow-blue" light again.

The CEPD uses a five-color rating system to measure economic prospects. A "red" light means the economy is overheated, "yellow-red" signals brisk economic growth, "green" indicates steady growth, "yellow-blue" shows economic slowdown, while "blue" means recession.

The official pointed to continued steady growth here, saying the ongoing six-year national development plan

and brisk private investments would be the driving force behind the healthy economic performance.

1992 Trade Surplus With Europe Hits Record Low

OW1101093693 Taipei CNA in English 0815 GMT 11 Jan 93

[Text] Taipei, Jan. 11 (CNA)—Taiwan's trade surplus with Europe, which hit a historical low in 1992, may develop into a deficit in 1993, the Council for Economic Planning and Development (CEPD) said over the weekend.

The slackening economy in European countries as a whole, a depreciating European currency against the greenback, as well as a bulging bill for ROC [Republic of China] military purchases, are three major factors that will influence trade between Taiwan and Europe, a CEPD official stated.

Taiwan netted a US\$1.4 billion trade surplus with Europe last year, a record low since 1986. In 1991, Taiwan's trade surplus with Europe hit a record high of US\$4 billion, the official added.

The official quoted the latest prediction by the Wharton Economic Forecasting Association in the United States as saying that 1993 will remain a slow year for Europe with the overall economy predicted to grow by 1.4 percent.

A long bill of US\$7 billion for the purchase of French Mirages may result in a trade deficit for Taiwan this year. The balance could turn worse as growth in the economy of Germany, Taiwan's major European trade partner, is estimated to continue its downward slide in the coming year, he said.

The third negative factor seen as contributing to the possible trade deficit is that as European currency depreciates against the US dollar, upward pressure will be felt on the NT dollar—pegged to the greenback—which will consequently thin the balance, the official said.

Taipei Plans Center in Japan To Boost Exports

OW0801085993 Taipei CNA in English 0825 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—A center will be set up in Japan soon for designing products targeted at Japanese customers, the Industrial Development Bureau (IDB) said Thursday [7 January].

IDB said that the center's establishment is part of an effort to reduce Taiwan's huge trade deficit with Japan, which hit a record high of US\$12.8 billion last year.

IDB said that its "Mini Europe" project, under which a design center was set up in Dusseldorf, Germany, has been successful in helping introduce European brand designs to local manufacturers.

In futures trading, contracts for future delivery of commodities are bought and sold.

Taipei To Distribute More Foreign Aid in 1993

OW0901110093 Taipei CNA in English 0751 GMT 9 Jan 93

[Text] Taipei, Jan. 9 (CNA)—The Republic of China [ROC] is planning to raise foreign aid from the present 0.02 percent to 0.15 percent of its gross national product (GNP), the International Cooperation Department (ICD) of the Ministry of the Economic Affairs said Friday [8 January].

ICD Director Lin Neng-chung said that the figure still falls short of the 0.7 percent of the GNP target set by the United Nations.

Compared with an average 0.35 percent spent by member states of the Organization for Economic Cooperation and Development, the figure is too low, Lin noted.

He said that the ROC has benefited in the past from foreign aid, and it is now time to reciprocate by giving more aid to the developing countries.

Taipei Gives Aid to Indonesian Earthquake Victims

OW0901151593 Taipei CNA in English 1454 GMT 9 Jan 93

[Text] Jakarta, Jan. 9 (CNA)—The Republic of China [ROC] government Saturday donated US\$200,000 to the Indonesian Government as relief aid to victims of a recent earthquake.

ROC representative to Jakarta Lu Pao-sun handed a US\$200,000 check to Indonesian Social Minister Haryati Soebadio at a ceremony at the Ministry of Social Affairs here Saturday morning.

Lu said: "This donation is a token of friendship and goodwill, in addition to the sympathy and condolence extended from the people of my country."

According to Soebadio, about 2,000 people were killed by the strong earthquake and tidal wave which devastated Flores Island, East Nusa Tenggara Province, on Dec. 12, 1992.

President Li Endorses Farmer Pension Plan

OW1401091793 Taipei CNA in English 0740 GMT 14 Jan 93

[Text] Taipei, Jan. 14 (CNA)—President Li Teng-hui publicly endorsed a farmer pension plan Wednesday [13 January] in a presidential office press release.

Li reaffirmed that the government would spare no efforts in taking care of the farmers and that their welfare was of paramount importance.

Li asked for a careful study of the proposed plan. This is the second time in twelve months that the president has expressed support for the proposed plan.

Li said that the development of the nation had been based on a solid agricultural policy. The agricultural industry, however, has encountered difficulties in a changing Taiwan society.

He said that the government would help farmers adjust to the changing situation so that they could enhance productivity and sharpen their competitive edge.

Legislator Chu Kao-cheng proposed in a Legislative Yuan session recently that President Li publicly endorse the pension system. His proposal was later sent to the presidential office.

The Council of Agriculture (COA) made a feasibility study on the farmers' pension system two years ago. Recently more and more people have made suggestions to the COA on the proposed plan.

COA Chairman Sun Ming-hsien said that the planning for the pension system would focus on pensions for farmers, with subsidies for farmers during non-growing seasons as a complementary measure.

Sun also said that the beneficiaries of the project would include full- and part-time farmers, but the amount paid to them and the government's share in paying the cost would vary.

Sung said the study of the plan would be completed by June. If the Legislative Yuan passes it into law, the system is expected to be put into practice along with the national health insurance plan next year.

Nation Commemorates Late Chiang Ching-kuo

OW1301113293 Taipei CNA in English 0813 GMT 13 Jan 93

[Text] Taipei, Jan. 13 (CNA)—President Li Teng-hui said Wednesday [13 Jan] morning that the nation has accelerated the democratization process in the past five years to fulfill the wishes of the late President Chiang Ching-kuo.

Members of the Kuomintang Central Standing Committee had a one-minute period of silence in memory of the late president on occasion of the fifth anniversary of his death.

President Li Teng-hui and other officials of the party central visited the resting place of the late president at Tahsi, Taoyuan County. [sentence as received]

The Vocational Assistance Commission for Retired Servicemen Tuesday held a memorial service to commemorate the late president.

Chiang Ching-kuo is remembered by the people as a national leader who would not neglect the weak in

He added that he would propose in the coming meeting of the exiled mainland pro-democratic groups in New York that "Taiwan's experiences" be included into the guidelines of their new organization.

On the "Taiwan independence" issue, Wang said that the people here should not "separate themselves from their mainland compatriots," and instead should "keep in mind the mission of introducing their successful democratic system" to the mainland.

"Taiwan and the exiled mainland pro-democratic groups should join hands in preparing to take over the mainland as the Peking regime is set to collapse in the not too distant future," he concluded.

Straits Exchange Foundation Leader Resigns

OW1401091593 Taipei CNA in English 0745 GMT 14 Jan 93

[Text] Taipei, Jan. 14 (CNA)—Chen Jung-chieh, secretary-general of the Straits Exchange Foundation (SEF), resigned Wednesday [13 January].

SEF Chairman Koo Chen-fu, who agreed to Chen's resignation Wednesday, would not elaborate on the vacated post, saying only that "the successor must be capable and have rich administrative experience."

Chen was deputy secretary-general when the quasi-official organization responsible for civil affairs between Taiwan and the mainland started operation in early 1990. He was promoted shortly after C. V. Chen stepped down as secretary-general.

Chen Jung-chieh first tendered his resignation on Nov. 23, but it was not approved by Koo.

SEF Vice Chairman C. V. Chen previously made it clear that Chen Jung-chieh's resignation would never get his permission.

C. V. Chen pointed out Wednesday that he had repeatedly asked Chen Jung-chieh to stay on, but to no avail.

C. V. Chen hailed his successor for his devotion to the promotion of SEF affairs, saying he had made significant contributions to the improvement of civil relations across the Taiwan Strait.

The resignation came days after bickering between SEF and the cabinet-level Mainland Affairs Council [MAC] over their differences in administrative procedures.

In reply to an inquiry during a Legislative Yuan session, Chen Jung-chieh rapped the council for its interference in SEF affairs.

MAC Vice Chairman Ma Ying-jeou simply said he felt sorry over Chen's resignation when asked to comment on the report.

Ma did not foresee any change in SEF-MAC relations in the future, but emphasized that MAC approval is required for the nominee to the post of SEF secretary-general.

Domestically Made Frigate Takes Test Voyage

OW1301113593 Taipei CNA in English 0825 GMT 13 Jan 93

[Text] Kaohsiung, Southern Taiwan, Jan. 13 (CNA)—The first locally manufactured frigate conducted its second test sail Tuesday [12 Jan] off the southern port of Kaohsiung.

The Perry class frigate, dubbed "Cheng Kung," left the harbor in the morning with naval officials, weapons experts and engineers of the China Shipbuilding Corp. (CSBC) on board the ship.

In addition to testing its speed and night [words indistinct] capabilities, the monitoring group also tested the warship's stability during operation of its weapons system, a CSBC official said.

The 4,200 ton frigate, designed to cruise at a speed of 28 nautical miles per hour, will be armed with a Phalanx weapons system, anti-submarine torpedos, helicopters and missiles.

The vessel is the first of eight warships to be built by the CSBC to replace the ROC [Republic of China's] Navy's aging destroyer fleet.

Poll: Most People 'Satisfied' With Government

OW0801084893 Taipei CNA in English 0809 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—Most Taiwan people are confident about the nation's future and are satisfied with current government's policies, performance and general political system, according to a recent public opinion poll.

The poll was conducted by the 21st Century Foundation on Oct. 15-18, 1992 and its results were released Thursday [7 January].

The foundation interviewed 3,475 adults by telephone and received 1,008 valid replies. The margin of error was quoted at 3.1 percent with a 95-percent confidence interval.

Poll returns showed that 73 percent of the respondents were confident in the nation's prospects, while 16.7 percent said they were somewhat worried about the nation's future.

The poll found that 61.9 percent were satisfied with the government's diplomatic efforts, down slightly from 66.7 percent recorded in a similar survey conducted by the foundation in 1991.

As many as 61.1 percent said they feel that human rights protection has improved here in recent years, according to survey returns.

Hong Kong

Bank of China To Issue Bank Notes in Hong Kong

OW1201170793 Beijing XINHUA in English 1630
GMT 12 Jan 93

[Text] Hong Kong, January 12 (XINHUA)—The Bank of China (BOC) is expected to become the third note-issuing bank in Hong Kong in 1994 according to an approval granted by the Executive Council of the Hong Kong Government today.

The Bank of China welcomes the approval in a news release this afternoon, saying that as an authorized note-issuing bank, it will issue bank notes commencing May 1994 in accordance with the relevant ordinances.

As always, the news release said, the Bank of China will, together with other note-issuing banks, do its best to work closely with the Hong Kong Government pursuant to the stipulated monetary policy and continue its ongoing efforts in maintaining the stability of the banking industry in Hong Kong.

A spokesman for the BOC said, "the H.K. dollar bank notes to be issued by the BOC will be totally different from renminbi and will not be affected by the change of the renminbi currency value."

The spokesman said that the BOC plans to issue billions of H.K. dollar bank notes commencing May 1994 and increase the amount properly. The value proportion of H.K. dollar bank notes to be issued by the BOC in the total bank notes in circulation will not be very big, he added.

By issuing a small amount of H.K. dollar bank notes, he said, the BOC aims to, together with existing note issuers, maintain the stability and development of Hong Kong's financial system and enhance its position as an international financial center.

A Hong Kong Government spokesman in a news release said the Bank of China is to issue 6 billion H.K. dollars (about 77 million U.S. dollars) bank notes, about 10 percent of the value of the total bank notes in circulation, and to increase the amount gradually to about 10 billion H.K. dollars (1.28 billion U.S. dollars) by 1996.

The Bank of China group currently operates over 300 branches and 250 automatic teller machines throughout the Hong Kong island, Kowloon and the New Territories, providing easy access to the public for cash withdrawal.

The two existing note-issuing banks in Hong Kong are the Hong Kong and Shanghai Banking Corporation and the Standard Chartered Bank.

Bank Spokesman Comments

OW1301140093 Beijing XINHUA Domestic Service in Chinese 0826 GMT 13 Jan 93

[Text] Hong Kong, 13 Jan (XINHUA)—A responsible person of the Bank of China Group (BOC) of Hong Kong

answered reporters' questions yesterday on the BOC's planned issue of bank notes in Hong Kong in May 1994.

Replying to a question on the reason for the BOC's participation in issuing Hong Kong dollars, the responsible person answered: Hong Kong groups have in recent years called on the BOC to issue bank notes. They feel that it will be helpful to the stability of Hong Kong's financial market. By issuing a small amount of bank notes beginning in May 1994, the BOC aims to, together with other note-issuing banks, integrate the financial and monetary policies of the Hong Kong Government as well as maintain the stability and development of Hong Kong's financial system and enhance its position as an international financial center.

Concerning the conditions for the BOC's participation in note-issuing, he said: The BOC has a good reputation, a steady style, and the confidence of a vast number of Hong Kong residents over a long period. These are the most fundamental conditions for our capability to participate in issuing notes. To guarantee a smooth process for the task, we will make appropriate funding arrangements. We will establish tight security and auditing systems in various links, such as storage, operations, issuing, transportation, and destruction of bank notes.

The responsible person added: The BOC will issue the Hong Kong dollars totally in accordance with the current mechanism of note-issuing. For every 7.8 Hong Kong dollars issued in cash, it will deposit \$1 in reserves to the foreign exchange foundation in exchange for a liability certificate equivalent to the value of Hong Kong dollars issued. Therefore, bank notes issued by the BOC, similar to those issued by the other two note-issuing banks, are absolutely backed by foreign exchange reserves.

The responsible person concluded: We plan the issue in May 1994 mainly because we have considered the fact that various technicalities for note-issuing and administrative procedures will be finalized at that time and that the bank notes will be officially put into circulation.

Editorial on Currency Issuance

HK1401073493 Hong Kong WEN WEI PO in Chinese
13 Jan 93 p 2

[Editorial: "Bank of China Issues Notes To Stabilize Finance"]

[Text] With yesterday's approval from the Executive Council, the Bank of China will begin to participate in the issuance of Hong Kong currency in May 1994 and become the territory's third note-issuing bank.

The Sino-British Joint Declaration stipulates that after 1997, the current Hong Kong dollar will continue to circulate and remain freely convertible. To allow the current note-issuing system to continue is especially important to maintaining Hong Kong's prosperity. People of various circles in Hong Kong have been demanding that the Bank of China participate in the

the line we have to make a choice. When it comes to the choice, I'll go for the economy."

Despite her reservations, Professor Lieh-mak expected the electoral bills would be approved by Exco without any major changes.

As agreed by Exco, a compendium of alternative proposals will be sent to legislators and released through the media next week so that the public can express their views on them.

Under the draft bill approved yesterday, a Boundary and Election Commission will be set up this year to determine constituency boundaries and to organise and supervise elections.

It will have three "politically neutral" members, including a High Court judge who will be appointed as the chairman by the Governor.

Meanwhile, more than half of the 21 functional constituency legislators disagreed with the Governor's proposals for the nine new functional constituencies.

Legco's tourism representative Mr Howard Young held a meeting with 10 other functional constituency legislators yesterday.

He said all 11 members, together with the Heung Yee Kuk representative, Mr Lau Wong-fat who gave a written submission, agreed that the idea of giving every member of the working population a vote in the nine new constituencies was a departure from the original concept.

Another functional constituency member who attended the meeting, social services representative Mr Hui Yin-fat, said members held different views on widening the constituencies' electoral base and whether the current voting method should change.

The meeting was called by Mr Young, who invited all 21 functional constituency legislators.

Apart from Mr Hui and Mr Young, those who turned up yesterday were: Mr Edward Ho Sing-tin, Mrs Elsie Tu, Mr Chim Pui-chung, Mr Jimmy McGregor, Mr Peter Wong Hong-yuen, Mr Gilbert Leung Kam-ho, Mr Samuel Wong Ping-wai, Mr Ronald Arculli and Mr Tam Yiu-chung.

Patten Hopes Council Forms 'Acceptable' Measures

HK1301030993 Hong Kong SOUTH CHINA
MORNING POST in English 13 Jan 93 p 1

[Report by Louis Ng]

[Text] The Governor, Mr Chris Patten, said yesterday he hoped legislators would agree on a political package acceptable to China, amid growing suspicion that Britain may be seeking a compromise with Beijing.

With China vowing to reject his political blueprint and start afresh in 1997, Mr Patten was grilled by the

Legislative Council during an hour-long question time session on whether he was back-pedalling.

While he has constantly emphasised the principles of openness, fairness and acceptability to the public in the past, the Governor suggested that the final proposals agreed by councillors should have as broad a base as possible for political development that was acceptable to the public, and the "present and future sovereign powers".

Noting that the Executive Council had already approved the proposal on setting up a boundary commission, he told the lawmakers that the Government would be putting further proposals on his reform plan to the legislature after the Lunar New Year.

United Democrat Mr James To Kun-sun asked Mr Patten whether his reference to acceptability to Beijing implied that his determination to carry forward his political package was weakening.

"Are you intending to back-pedal in this area?" Mr To asked.

Mr Patten would not give a flat answer.

Instead, he said that in coming weeks he intended "to take the advice of the Executive Council, who will, I'm sure, have noted then the views expressed over the last few months by the Legislative Council on political development, and the views expressed in the community as a whole."

"In due course I intend to put before the Legislative Council proposals which again, in my judgement, represent the best point of balance within the community on all these matters.

"I think that what all of us want to see are clean and fair arrangements for the elections in 1994/95. I think what all of us should also want to see is as credible a legislature after 1995 as possible, to which the executive can be properly accountable. Those remain my objectives."

Mr To said after the meeting he found no great determination in the Governor's reply.

"It's a very neutral answer. He stresses the procedural aspects of the question. But we can't tell if he is determined to go ahead or withdraw his proposals."

Councillor Calls for Patten To Withdraw Reforms

HK1301145993 Beijing ZHONGGUO XINWEN SHE
in English 1220 GMT 13 Jan 93

[Text] Hong Kong, January 13 (CNS)—China has on several occasions called on Governor Chris Patten to reverse his political proposals, but his confrontational stance has caused increasing numbers of Hong Kong people from the industrial and commercial sectors as well as the general public to express their worry over the situation, Legislative Councillor Mr. Philip Wong Yuhong said today.

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